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OFFICIAL REPORT

SECOND SESSION—TWENTY SIXTH PARLIAMENT

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HOUSE OF COMMONS

Wednesday, May 20, 1964

The house met at 2.30 p.m.

HOUSE OF COMMONS

PRESENCE IN GALLERY OF MEMBERS OF WEST GERMAN GOVERNMENT

Mr. Eric A. Winkler (Grey-Bruce): Mr. Speaker, I rise with your permission, and I trust on behalf of the entire house, to welcome into the diplomatic gallery this afternoon four members of the West German government who are here on a visit. I would extend to them in their native tongue a "Herzliches Willkommen", which interpreted means bienvenue or welcome.

Some hon. Members: Hear, hear.

Hon. Paul Martin (Secretary of State for External Affairs): Mr. Speaker, on behalf of those of us on this side of the house I should like to be allowed to associate myself with the hon. gentleman in extending a very sincere welcome to the distinguished parliamentarians from the Bundestag in Western Germany. I have recently been in West Germany, where I was the beneficiary of much kindness from the government of that country. I am sure that our expression of welcome to these distinguished parliamentarians will not be found wanting in the warmth and sincerity with which this parliament is pleased to welcome these distinguished representatives.

COMMITTEES OF THE HOUSE

PROCEDURE—SIXTH AND SEVENTH REPORTS OF SPECIAL COMMITTEE—CONCURRENCE IN SEVENTH REPORT

Mr. Speaker: I have the honour to present, in English and in French, the sixth report of the special committee on procedure and organization. This report outlines a major reorganization of the staff and services of the House of Commons.

I have the honour to present in English and in French the seventh report of the special committee on procedure and organization. Later it is my intention to call upon the hon. member for Edmonton West to explain this report under the heading of motions.

[*Later:*]

Hon. Marcel Lambert (Edmonton West): Mr. Speaker, seconded by the hon. member for Lapointe and with the unanimous consent of the house I should like to move concurrence in the seventh report of the special committee on procedure and organization.

It will be recalled that during the last session the committee on debates of which I had the honour to be a member presented a report which was not concurred in. Therein was contained the following paragraph:

> That satisfactory electronic recording apparatus as referred to in the abovementioned report be installed at the earliest possible date to be used on a trial basis in selected committee rooms.

Hon. members will be aware that about two weeks ago a somewhat awkward situation arose with regard to the recording of the debates and proceedings of one of the house committees, that on privileges and elections, in the French language. Despite every effort it has been found very difficult to obtain additional reportorial staff, especially on a permanent basis. It was through the generosity of the other place and of one of the government agencies that trained reportorial staff able to record the proceedings in French were obtained.

In the past two years at least, primarily as a result of the introduction of simultaneous interpretation, considerably more French has been used in this chamber, with the result that an undue burden has been placed on the shoulders of our French *Hansard* staff who are thus not available for French committee hearings. It is in order to alleviate this difficulty, as well as to examine, rather with experience than in haste, the use of electronic recording equipment, that your committee would recommend to this house that electronic recording apparatus be introduced into selected committee proceedings in order to assist in overcoming the difficulty caused by the shortage of French reporters and in order that the value of this equipment may be assessed.

Your committee was unanimous in this recommendation, Mr. Speaker, and I would ask members of the house to concur in this report.

[*Translation*]

Mr. Gilles Grégoire (Lapointe): Mr. Speaker, I am pleased to second the hon. member for Edmonton West (Mr. Lambert) for concurrence in the seventh report of the special committee on procedure and organization.

It is obvious that we were faced with an emergency due to the shortage of bilingual or French speaking stenographers and reporters in the various committees of the house.

As mentioned by the hon. member for Edmonton West, these last few years, mostly in the last two years, the French language has asserted itself more and more in the house and this has contributed to emphasize the bilingual character of our country. However, bilingual or French speaking reporters could not be found.

What is strange in the situation that is developing today is that we are obliged to call on machines to replace people, that is electronic machines to replace the reporters who could have been used.

While I second this motion, Mr. Speaker, I wish to point out that it does not necessarily mean that reporters will be replaced but that their work will be made easier and more complete. I suggest at the same time that the responsible authorities make the necessary efforts to find bilingual or French reporters. I am convinced that their smallest efforts will meet with success and that it will be possible and even easy to find very good French or bilingual stenographers and reporters in our country.

Mr. Pigeon: If we offer a good salary, we will find some.

[*Text*]

Hon. A. J. MacEachen (Minister of Labour): Mr. Speaker, I want to say a word on this motion as a member of the special committee on procedure and organization. We are pleased on this side of the house to consent to the waiving of the usual notice and make concurrence in this report possible today. We do that because of the emergency situation that has prevailed in the standing committees with respect to the problem of French reporting. I think it ought to be noted that considerable flexibility is being observed by the special committee on procedure and organization, in that the hon. member who has moved concurrence in this report is recommending to the house the installation of recording apparatus on a trial basis, which will ultimately involve an expenditure of public funds. It ought to be indicated at this point that a special prerogative is involved here on the part of the government, which will be discharged in the proper way at a later date.

Mr. Speaker: It has been moved by the hon. member for Edmonton West, seconded by the hon. member for Lapointe, that by unanimous consent this house do now concur in the seventh report of the special committee on procedure and organization. Is it the pleasure of the house to adopt the said motion?

Mr. Harold E. Winch (Vancouver East): Mr. Speaker, may I just say a word on this, or is that not permitted?

Mr. Speaker: The hon. member for Vancouver East.

Mr. Winch: I apologize if I did not catch your eye but I did want to make a very brief statement on this matter. In no way whatsoever do I oppose the suggestion which has been made or the principle involved, but I do want to make clear, because no one else has, the semi-hypocritical attitude involved. Mention was made of a committee meeting some two weeks ago which had to be postponed because a French reporter was not there. Mr. Speaker, an English reporter was there, and we in the House of Commons have a marvellous translation branch. Anything taken down at that committee would have been available in both languages within a matter of hours.

You may ask why I raise this point. It is because we now have a recommendation to instal electronic equipment. I agree with that recommendation, but I would draw to your attention that electronic equipment takes down the exact words spoken. There is no simultaneous translation by electronic machine. There is no such animal as a bilingual electronic machine taking something down in one language and immediately translating it into another.

An hon. Member: Oh, yes, there is.

Mr. Winch: No, sir, there is not. The only reason I have got up now is to speak not only in support of this motion but to draw to the attention of others that it will still require the services of the most efficient translation branch of the House of Commons to translate from one language to another what is taken in by the electronic brain. Let us not forget that.

Mr. Arnold Peters (Timiskaming): Mr. Speaker, I also support the motion which has been moved, but I should like to ask whether any consideration has been given to the training of the necessary personnel to operate this

equipment. It seems to me that we are now making a change in the system which has been followed up to now. There has been the recommendation that the debates in this house as well as in committees be electronically recorded, but it seems to me that this will only be successful if the proper people are trained. Electronic equipment has been operating in some committees but has been controlled by people who do not know how to use it. It appears to me that this is very ineffectual, and that it retards the extension of the operation considerably. There are no doubt many hon. members who can remember being in committees when the man operating the switches has not turned on the right microphone and the squeals are more easily heard than the voices. Therefore we must have trained personnel, and this is a matter the house has not given much consideration to in the past.

I only hope that when we use this equipment, operators with a high degree of integrity are employed; because electronic records can be changed, and that is one of the reasons they have not been accepted in the past. I suggest that the committee give consideration to the establishment of a branch with properly trained personnel to operate this equipment so that it will prove satisfactory, and so that we will be able to extend it into some other fields. I hope this is done immediately so that we are not again faced with having half trained people operating highly complicated equipment.

[*Translation*]

Mr. Guy Marcoux (Quebec-Montmorency): Mr. Speaker, a few words only to say that our group also holds translators and interpreters in great respect. However, we think it is normal, especially in the capital of the country and in our parliament, that members be able to speak in their mother tongue and be interpreted, or at least to have their speech recorded as delivered in the reports. That is the reason why a proposal was made for a tape-recording system.

In the same way that the federal government found, to its surprise, that the Quebec pension plan was a considered and well-thought-out plan, I feel it might be profitable to consult the Quebec government concerning the system it uses to report the official debates. We are told that it works very well. This is another field where we could advantageously follow the pattern set by the province of Quebec.

[*Text*]

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

Motion agreed to.

DEFENCE—CONCURRENCE IN FIRST REPORT OF SPECIAL COMMITTEE

Mr. D. G. Hahn (Broadview) presented the first report of the special committee on defence and moved that the report be concurred in.

Motion agreed to.

MISCELLANEOUS PRIVATE BILLS—SECOND REPORT OF STANDING COMMITTEE

[*Translation*]

Mr. Gérard Loiselle (St. Ann) presented the second report, in French and in English, of the standing committee on miscellaneous private bills.

[*Text*]

QUESTIONS

(Questions answered orally are indicated by an asterisk.)

"OOKPIK"—CATALOGUE IDENTIFICATION

Question No. 503—**Mr. Fisher:**

1. With regard to the Ookpik toy design, what is the exact bibliographical identity of the catalogue in which the officials of the Department of Trade and Commerce found it?
2. Who is the publisher of this catalogue?
3. Was trade and commerce shown a model or replica, other than the catalogue design, before it had an Ookpik made up and, if so, when and by whom?

Answer: 1. Canadian Eskimo Fine Crafts, issued under the authority of the Minister of Northern Affairs and National Resources, by the queen's printer and controller of stationery, Ottawa, in 1963 as item Cat. R2-2463.

2. The queen's printer on behalf of the Department of Northern Affairs and National Resources.

3. No. On request, the Department of Northern Affairs and National Resources had an Ookpik made up for use by the Department of Trade and Commerce.

REQUEST FOR GRANTS TO UNIVERSITIES

Question No. 539—**Mr. Orlikow:**

Is the government giving consideration to the requests of the Canadian universities foundation made in their brief to the Prime Minister in May 1963 "that the parliament of Canada enact legislation authorizing expenditure of $300 million for matching capital grants to universities and colleges for projects on which commitments are made between July 1, 1963 and June 30, 1966;" and "that the federal grant for each approved capital

project be equal to not more than 50 per cent of the cost of the project;" and "that in each of the years 1963-64, 1964-65, and 1965-66 a grant of $500,000 be made by the government of Canada to the government of Nova Scotia for distribution to the universities of that province, and a grant of $200,000 be made to the government of New Brunswick for distribution to the universities of that province"?

Mr. Davis: The government is re-examining these requests and other university financial requests in the light of its existing financial commitments including the revisions proposed in federal-provincial fiscal arrangements.

R.C.M.P. MOTOR VEHICLE PURCHASES, CUMBERLAND, N.S.

Question No. 647—**Mr. Coates:**

How many motor vehicles were purchased by the R.C.M. Police in Cumberland from April 1, 1963, to March 31, 1964 and (a) from what firm, or firms, were these vehicles purchased (b) what was the amount of the lowest bid (c) was it submitted by the successful tenderer and (d) what other firms were invited to tender in each instance?

Mr. Favreau: A total of three vehicles were purchased in the electoral district of Cumberland during the period referred to, of which two were required for Amherst and the other for Pugwash. (a) Claude W. Carter Ltd., Springhill, N.S.; (b) $4,212.20 (three vehicles 1 bid); (c) Yes; (d) Cumberland Equipment Limited and T. D. Brennan Limited, both of Amherst.

FURNITURE AND RENOVATION EXPENDITURES, PRIME MINISTER'S RESIDENCE

Question No. 663—**Mr. Jorgenson:**

What were the amounts spent on renovations and furniture for the Prime Minister's residence at 24 Sussex drive for the fiscal years ending 1961-62-63 and 64?

Mr. Deschatelets:

	1960-61	1961-62	1962-63	1963-64
Renovations	$6,351.26	$5,518.31	$3,040.60	$9,955.95
Furniture	$1,248.23	$1,016.02	$1,814.74	$7,433.16

CORRESPONDENCE BETWEEN B.C. PRISON INMATES AND MEMBERS OF PARLIAMENT

Question No. 672—**Mr. Howard:**

1. Since January 1, 1960, has the commissioner of penitentiaries issued any instructions to the effect that any inmate or inmates in the B.C. penitentiary must get special permission to correspond with members of parliament and that copies of the said correspondence must be provided and, if so (a) when were these instructions given (b) to how many inmates do they apply, and (c) what was the reason for so issuing them?
2. Has any such inmate been prevented from writing to a member of parliament or denied permission to so write and, if so, what are the reasons therefor?
3. Has any communication from a member of parliament to an inmate in the B.C. penitentiary been withheld from or delayed in transmission to the said inmate and, if so, for how long and for what reason?

Mr. Favreau: 1. No.

2. No.

3. Yes, a communication from a member of parliament, addressed to an inmate, dated December 19, 1963 was received at the penitentiary on December 21, 1963. Because of the nature of the contents the warden withheld the correspondence with the intention of discussing the subject of communication with the writer during his impending visit to the institution. This discussion was held on December 27 and the communication was transmitted to the inmate on the same date.

[Mr. Orlikow.]

FEDERAL PENITENTIARY INMATES AND STAFF

Question No. 697—**Mr. Orlikow:**

1. What is the total number of inmates in federal penitentiaries as of the last date for which the annual report was prepared?
2. What is the total staff employed in these penitentiaries and, of these, how many are guards, teachers, psychologists, psychiatrists, etc.?
3. What qualifications are required for the professional staff?
4. What are the minimum qualifications for guards employed in penitentiaries?
5. Is there a compulsory training course for people hired as guards and, if so, what type of course, and how long does it take to complete this course?

Mr. Macdonald: 1. As of March 31, 1964, there were 7,648 inmates on register in federal penitentiaries.

2. Authorized staff establishment penitentiary service exclusive of headquarters and correctional staff colleges, as of March 31, 1964:

Medical	
Physicians, full time	1
part time	3
contract	7
Psychiatrists, part time	8
Dentists, hospitals officers, assistant hospital officers and dental technicians	111
Inmate training division	60
Classification staff	72

Educational staff	51
Recreational staff	23
Vocational staff	71
Custodial staff	1,287
Administration, service and supply	836
Industrial staff	164
Administrative staff, i.e. wardens, chaplains, clerks, etc.	218
Total	2,912

3. Physicians and surgeons, graduation with an M.D. degree from a recognized university with certification as a specialist by the Royal College of Physicians and Surgeons. In Quebec such qualifications are granted by their accredited colleges.

Psychiatrists, graduation from a recognized university with an M.D. degree and studies which have led to the granting of a certificate by the Royal College of Physicians and Surgeons.

Dentists, graduation from a recognized university with a dental degree.

Chaplain, completion of university or theological seminar, pastoral experience in community; preferable: correctional or social work.

Teachers and educational, (adult education), instructors, completion and elementary teachers certification; minimum of four years' teaching experience in community; preferable: university degree or university courses, if any, of the social sciences.

Classification staff, university graduation preferred in education, psychology, sociology or social work.

4. For employment in the penitentiary service an applicant must be from 23 to 40 years of age, of a minimum height of 5'8" and physically fit; possess an education (minimum) of grade 10 (grade 9, Quebec); be a person of good character and neat in appearance. Candidates are submitted to educational tests and to psychological evaluation as to their suitability for carrying out custodial duties. Proven satisfactory police or military experience would be a decided asset for any applicant.

5. Effective May 4, 1964, a compulsory three months' induction training course commences at the Quebec, Ontario and western correctional staff colleges for all newly appointed custodial officers prior to appointment to an institution.

This course consists of theoretical and practical training in the following subjects: organization and administration of penitentiary service; correctional work and custodial procedures; inmate supervision, training and discipline; weapons and gas training; physical training, self defences and drill; communications, operation and procedures; crowd control and emergencies.

COMBINES INVESTIGATION INTO DRUG PRICES, B.C.

Question No. 726—**Mr. Prittie:**

Has the director of investigations and research (Combines Investigation Act) received a request from ten individuals in British Columbia asking for an investigation into a recent order of the B.C. pharmaceutical association, approved by provincial order in council No. 3366, dated December 31, 1963 and published in the B.C. *Gazette* of January 24, 1964 which restricts the competitive sale of drugs and if so, is an investigation now taking place?

Mr. Macdonald: The information received is being considered by the director of investigation and research, Combines Investigation Act, to determine whether the situation is such as to warrant formal inquiry under the act. Since the letter was received, however, it has been confirmed that a private action has been instituted in the supreme court of British Columbia challenging the validity of the above regulations or bylaws and the director will of course have to take note that the matter is at present sub judice.

LEGISLATION TO ALTER QUEBEC-NEWFOUNDLAND BOUNDARY

Question No. 771—**Mr. Coates:**

Does the government intend to bring legislation forward to alter the boundaries of the provinces of Quebec and Newfoundland as required by section 3 of the British North America Act of 1871?

Mr. Davis: The consent of the legislatures of the provinces affected is required before the parliament of Canada may alter the boundaries thereof. The federal government has not been informed that such consent has been given by the provinces concerned.

PRINTING OF SOCIAL INSURANCE CARDS

Question No. 841—**Mr. Hales:**

1. Were tenders called for the purchase of the paper used to print the social security cards and, if not, for what reason?

2. If paper requested could only be produced by one company, why was the paper stock not changed to a type or kind procurable from more than one source?

3. What are the names and addresses of the firms which submitted tenders for the printing of the social security cards?

4. Why were these cards not printed by the queen's printer?

5. Who printed the instruction leaflet which accompanied the social security cards (UIC-543F 12-64) and the leaflet to the employer (UIC-5816 12-63)?

6. How many of each were ordered and (a) what was the cost of each (b) were tenders called

(c) who submitted tenders (name and address) (d) was the lowest tender accepted and who submitted it?

Mr. Drury: 1. (a) No. (b) Only one source of supply.

2. The specifications for the paper required for the social insurance number cards could be met by only one mill. The first of many requisites was the necessity for rag content and the company awarded the contract was the only manufacturer of rag bristol. Experiments by this mill have also produced a chemical additive which provides the extended life expectancy required for the stock.

3. Crain Business Systems, Ottawa Sales Office, P.O. box 392; Data Business Forms Ltd., 87 Brydon drive, Rexdale, Ontario; Mount Royal Press Ltd., 5740 Ferrier st., Montreal, P.Q., Moore Business Forms Ltd., 133½ Besserer st., Ottawa, Ontario; Drummond Business Forms, Drummondville, P.Q.

4. Efficient printing of the social insurance number cards calls for equipment not available at the Canadian government printing bureau.

5. The correct numbers for these forms are UIC-543-F(2-64) and UIC-581-G(2-64). The Canadian government printing bureau printed instruction leaflet UIC-543-F(2-64) and form UIC-581-G(2-64) was printed by: Tremblay & Dion Inc., 725 Cote d'Abraham, Quebec 4, Quebec.

6.(i) Form UIC-543-F(2-64): 4,199,000 were ordered. (a) The cost for paper and printing was $7,100.69. (b) No—Work done by government printing bureau; (c) N/A; (d) N/A.

(ii) Form UIC-581-G(2-64): 500,000 (a) $4,923.07 was the total cost of paper and printing; (b) Yes; (c) Laval Specialties Ltd., 18 Labelle St., Lavalle des Rapides, Que.; Ronalds Federated Ltd., 6306 Park Ave., Montreal, P.Q.; Ateliers des Sourds-Muets, 65 ouest, rue de Castelnau, Montreal, Que.; Mtl. Litho Co. Ltd., 1685 Ontario St. E., Montreal, Que.; Techno-Lith Ltd., 1525 St. Dominique St., Montreal, Que.; Tremblay & Dion Inc., 725 Cote d'Abraham, Quebec 4, Que. (d) Yes, the lowest tender was accepted and contract awarded to: Tremblay & Dion Inc., 725 Cote d'Abraham, Quebec 4, Que.

INCREASE IN PENSIONS OF RETIRED CIVIL SERVANTS

Question No. 843—**Mr. Mather:**

Is the government during this session giving consideration to making amendments to the Public Service Pension Adjustment Act, or to any means of increasing the pensions of federal civil servants already retired?

[Mr. Hales.]

Mr. Benson: See statement on this subject in *Hansard,* April 21, 1964, pages 2438 and 2439.

JUSTICE DEPARTMENT EXPENDITURES

Question No. 848—**Mr. Rondeau:**

What were the estimated and actual expenditures of the Department of Justice for each of the last ten years and, for each such year, what was spent in the province of Quebec?

Mr. Macdonald:

Year	Amount of Estimates	Actual Expenditures	Expenditure Quebec
	$	$	$
1953-54	15,927,444	15,017,395	3,794,000
1954-55	16,965,142	16,423,823	4,056,000
1955-56	18,118,875	17,317,470	4,351,000
1956-57	19,928,918	19,065,569	4,638,000
1957-58	20,763,128	19,929,268	4,763,000
1958-59	24,960,379	24,345,475	5,744,000
1959-60	29,121,103	27,845,867	10,148,000
1960-61	28,443,190	27,694,612	7,761,000
1961-62	34,989,708	32,580,185	8,465,000
1962-63	37,647,217	34,531,655	8,974,000

INTEREST ON NATIONAL DEBT

Question No. 854—**Mr. Dionne:**

How much has interest on the national debt cost the government of Canada since 1867?

[*Translation*]

Answer: Gross cost of interest on the national debt to the government of Canada from July 1, 1867, to March 31, 1964, was $15,287 million (including an estimated amount of $952 million for the fiscal year 1963-64).

Note—Includes interest on unmatured debt and where applicable interest on deposit and trust accounts and on annuity, insurance and pension accounts.

[*Text*]

PROGRAM FOR CORRECTIONAL INSTITUTIONS AND FACILITIES

Question No. 887—**Mr. Orlikow:**

Has the government adopted a long range plan for the building and programming of correctional institutions and facilities and, if so, has this program been discussed with organizations interested in correction such as the Canadian corrections association, John Howard and Elizabeth Fry societies?

Mr. Macdonald: The government has adopted from time to time, in this connection, portions of the report of the Department of Justice correctional planning committee, 1960. Organizations interested in

corrections were consulted by the committee when its report was being prepared.

*SITE FOR PENITENTIARY, ST. PIE DE BAGOT, QUE.

Question No. 894—**Mr. Ricard:**

For what purpose will the government use the four farms which were purchased in the Grand Rang St. François in the parish of St. Pie de Bagot, Quebec, on which the treasury board had authorized the construction of a penitentiary?

Mr. Macdonald: This property will be used for the construction of a medium security institution when another institution of that type is required in the province of Quebec.

FEDERAL PRISONS, QUEBEC

Question No. 895—**Mr. Latulippe:**

1. What is the number of federal prisons in the province of Quebec?

2. During the past year, what was the number of inmates in each, and how many employees were working therein?

3. In each of those prisons, what was the number of psychiatrists, psychologists and social workers trained in correctional work?

4. Do the guards in those prisons receive any training for their duties?

5. Has the construction of new federal prisons been undertaken in the province of Quebec during the past year and, if so, where, and what will be the cost of each?

6. For what reasons was the site of each prison chosen?

7. What is the cost of each?

8. How many men and women were transferred from Quebec prisons to prisons in other provinces during the past year and (a) where is each prison situated (b) how many inmates were transferred to each?

[*Translation*]

Answer: 1. Seven (7).

2.

Maximum security institution	Inmates	Employees
St. Vincent de Paul penitentiary	888	401
Medium security institutions		
Leclerc Institution	455	206
Federal Training Centre	421	232
Penitentiary's Industrial Annex	190	60
Minimum security institutions		
Gatineau Correction Camp	42	20
Valleyfield Institution	88	32
Penitentiary's Farm Annex	76	14
Total	2,160	965

3. Maximum security institution: St. Vincent de Paul penitentiary: two psychiatrists, one psychologist and eight classification officers.

Medium security institutions: Leclerc institution: one psychologist and three classification officers.

Federal training centre: one psychologist and three classification officers.

Penitentiary's industrial annex: one classification officer.

Minimum security institutions: Gatineau correction camp: one classification officer. Valleyfield institution: one classification officer.

Penitentiary's farm annex: one classification officer.

4. Each new member of the guard's service is required to complete a recruits training course of three months period. After that course, the new employee is submitted to a three months probation period. Besides, every member of the guard's service must follow every year a training period designed to teach him the new penology systems.

5. The construction of a medium security institution was undertaken at Cowansville, province of Quebec, at the cost of approximately $6 million.

6. That site was chosen for the following reasons:

(a) The site is far enough from Montreal to provide the required security and close enough to permit easy access to professional, medical and social resources.

(b) The site chosen is located, near Cowansville, in a region where no housing development is anticipated for a period of 50 to 75 years, because Cowansville is developing rather in the direction of Dunham, province of Quebec.

(c) Public utility services are provided in adequate quantity.

(d) The road system and transportation leading to the site are adequate to facilitate visits for the inmates' families.

(e) Six (6) neighbouring municipalities, situated within 15 miles of the chosen site, total a population of 50,873 (1961). Those conditions ensure a source of continuous manpower for custodial services as well as administration. The services of professionals, such as physicians, dentists, psychiatrists, psychologists, social workers, teachers and chaplains are available or can be obtained from adjacent centres.

(f) The city of Cowansville has elementary schools and high schools, hospitals, Roman Catholic and Protestant churches and all civic facilities which make possible the development of family life. That factor becomes important if it is wanted to get the continuous services of a qualified staff.

(g) The construction of the eastern townships throughway, with its layout situated near the institution, will enable travellers to reach Montreal in less than one hour. That will certainly facilitate the keeping of professional relations between the institution staff and universities, clinics, social or government agencies, etc.

There are several social clubs in Cowansville, such as the Kiwanis Club, the Rotary Club, the Knights of Columbus, artistic groups and religious organizations and so on, which are all ready to co-operate in the rehabilitation of inmates.

7. About $6 million.

8. Inmates, men and women, were transferred from the St. Vincent de Paul penitentiary to the penitentiaries in other provinces during the last year, as follows: to the Kingston penitentiary, Kingston, Ont., 17 men; to the Women's Prison Kingston, Ont., five women; to the Dorchester Penitentiary, Dorchester, N.B., 17 men; to the Manitoba Penitentiary, Stony Mountain, Man., four men; to the Saskatchewan Penitentiary, Prince Albert, Sask., four men; to the British Columbia Penitentiary, New Westminster, B.C., two men.

R.C.M.P. BARRACKS, WILLOW BUNCH, SASK.

Question No. 905—**Mr. Watson (Assiniboia):**

1. Is the government giving consideration to building a new R.C.M.P. barracks at Willow Bunch, Saskatchewan?
2. What does the government use as a guide to the necessity for new office and living quarters for the R.C.M.P.?
3. Who owns the building this detachment now occupies?

Mr. Favreau: 1. No, not at the present time.

2. The permanency of the local R.C.M. Police detachment and the availability of suitable accommodation for rent.

3. The town of Willow Bunch, Saskatchewan.

KRAFT COMPANY CONTROL OF CHEESE EXPORTS TO U.S.

Question No. 919—**Mr. Latulippe:**

Has an investigation been launched under the Combines Investigation Act into the allegations made by Mr. Donald C. MacDonald to the effect that the Kraft Company, which operates in Canada as well as in the United States exercises a control on the exports and sales of Canadian cheddar to the United States?

Mr. Macdonald: The director informs me that press reports of Mr. MacDonald's allegations indicate that the situation relates to import quotas imposed under United States legislation and therefore would not appear to be a matter coming within the purview of the Combines Investigation Act. Should further information indicate otherwise, however, the director may be expected to take any action which the statute may require.

JUVENILE DELINQUENTS IN FEDERAL INSTITUTIONS

Question No. 922—**Mr. Latulippe:**

1. How many juvenile delinquents from the province of Quebec are detained in federal institutions?
2. Are measures taken to separate juvenile delinquents from adult prisoners?

[*Translation*]

Answer: 1. Eight (8), as at December 31, 1963.

2. While there are no special facilities for the segregation of juvenile delinquents, they are placed in special sections of the penitentiary or detained in institutions for juvenile delinquents.

[*Text*]

RENTAL OF WORLD EXHIBITION SITES

Question No. 927—**Mr. Latulippe:**

1. How many sites have now been rented on the grounds of the 1967 world exhibition?
2. What was the rent in each case?
3. What is the total amount received to date from rentals?

[*Translation*]

Answer: 1. One.

2. In this case, $10,000.

3. See answer to No. 2.

[*Text*]

R.C.M.P. AUXILIARY POLICE

Question No. 932—**Mr. Barnett:**

1. Are auxiliary police being enrolled with the R.C.M.P. and, if so, in what provinces is this being done and under what legislative or governmental authority?
2. What are the duties to be performed by auxiliary police and what course of training do they receive?
3. What remuneration or emoluments do auxiliary police receive?

Mr. Favreau: 1. Auxiliary police have been enrolled with the R.C.M. Police in the provinces of British Columbia, New Brunswick and Prince Edward Island. This has been done by provincial order in council which is authorized under the provincial civil defence act.

2. The duties of these auxiliary police are to assist the R.C.M. Police in effectively discharging its provincial duties in time of national emergency or natural disaster. Their training consists of instruction in the following subjects, which is carried out by the R.C.M. Police: (a) criminal law; (b) crowd control; (c) discipline; (d) emergency planning; (e) first aid; (f) foot drill; (g) general police work; (h) small arms training.

3. The auxiliary police do not receive any pay during training. If called out for actual service, they would be paid by the provincial government at a rate comparable with other provincial civil defence workers. They are provided, without cost, with a uniform of an approved type.

BANK OF CANADA PUBLICATIONS

Question No. 935—**Mr. Côté (Chicoutimi):**

1. What reports and publications are published by the Bank of Canada?
2. Are these publications printed in both official languages and, if not, will they be so in the near future?
3. Which banks and other financial institutions are regular buyers of treasury bills?

[*Translation*]

Answer: 1. Bank of Canada annual report. Bank of Canada statistical summary. Loans of government of Canada and loans guaranteed by the government of Canada. Bank of Canada, statement of assets and liabilities. Bank of Canada, weekly financial statistics.

2. Yes, with the exception of the Bank of Canada statistical summary. The Bank of Canada is studying the technical aspects of producing a French edition.

3. Government of Canada treasury bills are bearer securities which are being continually traded in the capital market and there is no complete record of the names of investors involved in such transactions. In any case it is not considered in the public interest to make public individual holdings of government of Canada securities, other than in regular statutory returns and official statistics.

Weekly financial statistics published by the Bank of Canada show holdings of government of Canada treasury bills as between Bank of Canada, chartered banks, government of Canada accounts and the general public. Amortized values of month end holdings of such treasury bills by individual chartered banks are available in the "Statement of Assets and Liabilities" of the chartered banks published monthly as a supplement to the Canada Gazette.

[*Text*]

CARETAKERS, FEDERAL BUILDING AND ARMOURIES, SPRINGHILL, N.S.

Question No. 948— **Mr. Coates:**

1. Was David Brown, Springhill, appointed full-time caretaker for the Springhill federal building without a civil service competition being called for the position and without notification to the Royal Canadian Legion, Springhill, of the vacancy in question?
2. Does a vacancy exist for the position of caretaker at the Springhill armouries and, if so, will the civil service commission carry out a competition and will the Royal Canadian Legion, Springhill, be notified by the civil service commission of its intentions in this regard?

Mr. Lamontagne: 1. David Brown, normally a full time fireman-labourer in the federal building, Springhill, N.S., was assigned the duties of caretaker only during the absence, on sick leave, of the regular caretaker.

2. No, since the present caretaker who was referred in 1951 by the civil service commission has not indicated that he intends to resign.

USE OF URANIUM IN POWER PROJECTS

Question No. 949—**Mr. Webb:**

1. Did the Minister of Trade and Commerce make an announcement to the effect that Canada has moved to the world front in provision of nuclear power projects?
2. What steps is the government taking to assure Canadian General Electric and Westinghouse companies, major producers of nuclear power equipment, that ample supplies of uranium will be available thereby giving a guarantee for the employment of Canadian miners?
3. Is the government ensuring that the uranium used will be Canadian produced?

Answer: 1. The Minister of Trade and Commerce made an announcement on April 27 that agreements signed with India would, *inter alia* "place Canada in the competitive forefront of the world market for similar atomic power stations"; i.e. similar to the CANDU stations at Douglas Point and Rajasthan.

2. Canadian firms producing fuel for nuclear power plants are well aware that ample supplies of uranium are available.

3. For reactors operated in Canada, Canadian uranium will be used. For reactors abroad that are supplied by Canada, the government will endeavour to insure that Canadian uranium fuel producers are allowed to compete for the imported fuel requirements of the foreign operator. It is relevant to add that Canadian uranium fuel selling prices are highly competitive.

PARLIAMENT HILL—REMOVAL AND INSTALLATION OF LIGHTS

Question No. 951—**Mr. Korchinski:**

1. Was the removal and alternate installation of lights on the front lawn of the parliament buildings done by a contractor and, if so, who was granted the contract?
2. What was the cost of removal and installation?
3. What was done with the electrical cables which were removed?

Mr. Deschatelets: 1. Yes, Bedard Girard Ltd. (Ottawa).

2. $78,685.

3. Old unusable wiring removed from ducts, etc., is to be removed from the site at the general contractor's expense and becomes his property.

R.C.M.P. MOTOR VEHICLE PURCHASES, CUMBERLAND, N.S.

Question No. 953—**Mr. Armstrong:**

How many motor vehicles were purchased by the R.C.M. Police in Cumberland from April 1, 1962 to March 31, 1963 and (a) from what firm, or firms, were these vehicles purchased (b) what was the amount of the lowest bid (c) was it submitted by the successful tenderer, and (d) what other firms were invited to tender in each instance?

Mr. Favreau: One motor vehicle. (a) MacIntosh Motors Ltd., Parrsboro, Nova Scotia; (b) $1,034.95; (c) Yes; (d) Cameron and Wilson Ltd., Parrsboro, N.S.; Sargent's Garage, Parrsboro, N.S.

*DEPARTMENTAL CHANGES RESPECTING PRINTING BUREAU

Question No. 971—**Mr. Pascoe:**

1. What changes or transfers from department to department have taken place since May 1, 1963, in connection with the printing bureau, and on what dates?
2. Were these changes made under order in council and, if so, was each of such orders in council published in the Canada Gazette?

Mr. Nicholson: In so far as the Departments of Industry and Defence Production are concerned:

1. Order in council P.C. 1963-1130 dated July 25, 1963, transferred to the Minister of Industry the powers, duties or functions of the Secretary of State of Canada under the Public Printing and Stationery Act.

Order in council P.C. 1963-1254 dated August 21, 1963, transferred to the Department of Defence Production the control or supervision of the procurement purchasing and stores branch, the production branch, the outside printing production branch, and the supporting services contained in the departmental secretary's branch, the administrative services branch and the financial services branch of the department of public printing and stationery.

Order in council P.C. 1963-1450 dated October 3, 1963, transferred to the department of public printing and stationery from the Department of Defence Production, the responsibility for the procurement of print for books and publications.

Order in council P.C. 1964-156 dated February 3, 1964, transferred to the Secretary of State of Canada the powers, duties or functions of the Minister of Industry relating to the department of public printing and stationery.

2. Yes, these changes and transfers were made under order in council. Such orders in council are not normally published in the Canada Gazette.

APPLICATIONS UNDER MUNICIPAL LOANS ACT, N.S.

Question No. 979—**Mr. Armstrong:**

Have requests been received from municipalities in Nova Scotia under the terms of the Municipal Development and Loan Act and, if so, what requests have been received?

Mr. Benson: Two requests have been received. These are (a) the Caledonia power and water board, Glace Bay, for a loan amount of $160,734 and (b) the town of Amherst and county of Cumberland for a loan amount of $555,003.

TARIFF BOARD DECISION ON COLD HEADING WIRE

Question No. 986—**Mr. Irvine:**

1. As a result of certain representations made by members of the steel alloys industry in November 1963, has the tariff board reached a decision on cold heading wire and, if so, what is the decision?
2. If not, when will a decision be reached and reported?

Mr. Benson: 1. The tariff board has not yet forwarded to the Minister of Finance its report on wire and wire products.

2. The board's report is not expected until the end of the year.

COMMISSIONERS OF COUNTRIES PARTICIPATING IN WORLD FAIR

Question No. 991—**Mr. Latulippe:**

1. What are the names of the commissioners representing the various countries which have agreed to take part in the 1967 world fair?
2. How many of them have so far visited the site of the world fair?

[*Translation*]

Answer: 1. To date the Netherlands and Belgium have appointed their section general commissioners to take part in the 1967 world fair.

They are: H. E. Simon Hendrik Visser; Mr. Jan Albert Goris.

The Canadian government has appointed Mr. Leslie H. Brown as general commissioner for the participation of the Canadian government.

2. These three persons have already visited the world fair site.

[*Text*]

UNEMPLOYMENT INSURANCE CLAIMANTS, ROUYN-VAL D'OR, QUE.

Question No. 997—**Mr. Laprise:**

1. How many appeals were made to the board of referees by claimants at the unemployment insurance commission office at (a) Rouyn (b) Val d'Or, during the year 1963 and, of that number (i) how many decisions were modified (ii) how many were maintained?

2. How many claimants were considered ineligible because they left their jobs voluntarily?

3. How many claimants were considered ineligible because they refused to accept the job offered?

4. What has been the total number of unemployed claimants who registered at the unemployment insurance commission office at (a) Rouyn (b) Val d'Or for the years 1960, 1961, 1963, and 1964?

Mr. MacEachen: 1.

	No. of Appeals	Allowed	Disallowed
Rouyn	232	34	198
Val d'Or	122	10	112

2. 586 in Rouyn and 536 in Val d'Or.

3. 334 in Rouyn and 147 in Val d'Or.

4. Information not available. However, following is the number of initial and renewal claims received in the period concerned.

	Rouyn		Val d'Or	
	Initial	Renewal	Initial	Renewal
1960	9,994	3,684	7,125	3,249
1961	9,145	3,687	6,400	3,012
1962	8,697	3,290	5,854	2,567
1963	8,234	3,374	6,063	2,574
1964 (to 31 March)	3,067	1,271	2,214	858

Many of the claimants filing renewal claims would be the same as those filing initial claims in the same year.

INVITATIONS TO CITIZENSHIP AND IMMIGRATION MINISTER, SKEENA CONSTITUENCY

Question No. 1,003—**Mr. Howard:**

Has the Minister of Citizenship and Immigration been invited to attend any function or visit any place in the electoral district of Skeena for 1964, and, if so, with respect to each such invitation, by whom was the invitation given, for what function or purpose, at what time or times, and has it been (a) accepted or (b) declined?

Mr. Badanai: The Minister of Citizenship and Immigration has received an invitation from Mr. John Poussette to inspect the condition of historic totem poles in the electoral district of Skeena in the summer of 1964. (a) Mr. Poussette has been advised by Mr. Tremblay that it would please him to accept this kind invitation but that it is not yet certain when the minister will visit British Columbia or how much time will be available to him for this purpose. If the minister cannot join Mr. Poussette personally a senior official of the Indian affairs branch will be asked to go along with Mr. Poussette and report to the minister. (b) Not applicable.

INVITATIONS TO FINANCE MINISTER, SKEENA CONSTITUENCY

Question No. 1,006—**Mr. Howard:**

Has the Minister of Finance been invited to attend any function or visit any place in the electoral district of Skeena for 1964, and, if so, with respect to each such invitation, by whom was the invitation given, for what function or purpose, at what time or times, and has it been (a) accepted or (b) declined?

Mr. Benson: No.

INVITATIONS TO INDUSTRY MINISTER, SKEENA CONSTITUENCY

Question No. 1,009—**Mr. Howard:**

Has the Minister of Industry and Minister of Defence Production been invited to attend any function or visit any place in the electoral district of Skeena for 1964, and, if so, with respect to each such invitation, by whom was the invitation given, for what function or purpose, at what time or times, and has it been (a) accepted or (b) declined?

Mr. Drury: No.

INVITATIONS TO LABOUR MINISTER, SKEENA CONSTITUENCY

Question No. 1,011—**Mr. Howard:**

Has the Minister of Labour been invited to attend any function or visit any place in the electoral district of Skeena for 1964, and, if so, with respect to each such invitation, by whom was the invitation given, for what function or purpose, at what time or times, and has it been (a) accepted or (b) declined?

Mr. MacEachen: No.

INVITATIONS TO MINES AND TECHNICAL SURVEYS MINISTER, SKEENA CONSTITUENCY

Question No. 1,012—**Mr. Howard:**

Has the Minister of Mines and Technical Surveys been invited to attend any function or visit any place in the electoral district of Skeena for 1964, and, if so, with respect to each such invitation, by whom was the invitation given, for what function or purpose, at what time or times, and has it been (a) accepted or (b) declined?

Mr. Benidickson: No.

INVITATIONS TO POSTMASTER GENERAL, SKEENA CONSTITUENCY

Question No. 1,018—**Mr. Howard:**

Has the Postmaster General been invited to attend any function or visit any place in the electoral district of Skeena for 1964, and, if so,

with respect to each such invitation, by whom was the invitation given, for what function or purpose, at what time or times, and has it been (a) accepted or (b) declined?

Mr. Nicholson: No.

INVITATIONS TO PUBLIC WORKS MINISTER, SKEENA CONSTITUENCY

Question No. 1,020—**Mr. Howard:**

Has the Minister of Public Works been invited to attend any function or visit any place in the electoral district of Skeena for 1964, and, if so, with respect to each such invitation, by whom was the invitation given, for what function or purpose, at what time or times, and has it been (a) accepted or (b) declined?

Mr. Deschatelets: No.

INVITATIONS TO SECRETARY OF STATE, SKEENA CONSTITUENCY

Question No. 1,021—**Mr. Howard:**

Has the Secretary of State been invited to attend any function or visit any place in the electoral district of Skeena for 1964, and, if so, with respect to each such invitation, by whom was the invitation given, for what function or purpose, at what time or times, and has it been (a) accepted or (b) declined?

Mr. Lamontagne: No.

INVITATIONS TO TRADE AND COMMERCE MINISTER, SKEENA CONSTITUENCY

Question No. 1,023—**Mr. Howard:**

Has the Minister of Trade and Commerce been invited to attend any function or visit any place in the electoral district of Skeena for 1964, and, if so, with respect to each such invitation, by whom was the invitation given, for what function or purpose, at what time or times, and has it been (a) accepted or (b) declined?

Answer: 1. Prince Rupert chamber of commerce. To inspect port facilities. Invitation extended January 3, 1964. Declined. Invitation not received until return to Ottawa, January 5.

2. Mr. Frank Windsor, Aluminum Company of Canada, Ottawa, on behalf of the associated chambers of commerce of central British Columbia and their Alaskan affiliates. To speak to delegates, annual meeting in Kitimat. June 4, 5 and 6. Declined.

GRUNTHAL, MAN. POST OFFICE

Question No. 1,031—**Mr. Jorgenson:**

1. What is the revenue of the post office at Grunthal, Manitoba, for the year ended March 31, 1963?

2. Has a survey been made to determine if the Grunthal district requires better post office facilities?

[Mr. Howard.]

3. Is it the intention of the government to construct a new post office at an early date?

Mr. Nicholson: 1. $3,378.13.

2. The Grunthal post office belongs to the class of offices where it is the responsibility of the postmaster to provide satisfactory premises to house the office as a condition of employment. A work-load survey was made in late March 1964 at which time it was ascertained that this post office still belongs to that class. However, it was determined that the existing premises are barely adequate to meet the requirements of the community and our field officials have been requested to conduct a further investigation in this regard.

3. No. As this office belongs to the class of offices where the postmaster is required to provide adequate premises, no action will be taken to provide crown owned accommodation.

TRAINING OF UNEMPLOYED

Question No. 1,032—**Mr. Orlikow:**

1. How many people have enrolled in the program of training for the unemployed under schedule M of the technical and vocational agreements with the provinces?

2. Of those enrolled, how many (a) completed the courses they began (b) failed to complete their training programs?

3. Has the government received any information as to the reasons why people who begin the courses do not complete their training?

4. Has the government received any complaints from the provinces that the living allowances are insufficient to permit those taking the courses to complete them, or received reports that some married students do not have enough to eat?

Mr. MacEachen: 1. 32,825 persons were enrolled under program 5, "training for the unemployed" in 1963.

2. (a) 17,627 persons completed training in 1963. (b) 13,050 failed to complete their training programs in the same period. The remainder were still in training at the end of the year.

3. While complete information in this regard is not available, a number of trainees discontinue their training to take employment while others discontinue because they find it difficult to study after a long absence from school.

4. No.

UNEMPLOYMENT INSURANCE CLAIMANTS

Question No. 1,040—**Mr. Ricard:**

How many registered claimants for unemployment insurance were there in Canada at the end of each month between January 1, 1962 and April 30, 1963?

Mr. MacEachen:

	No. of Registered Claimants
January, 1962	698,538
February	718,668
March	687,450
April	564,478
May	263,862
June	214,311
July	211,975
August	198,694
September	197,799
October	244,140
November	374,191
December	591,965
January, 1963	703,081
February	720,461
March	687,318
April	567,471

*TRAINING OF OLDER WORKERS

Question No. 1,047—**Mr. Rynard:**

Has the government taken any steps to ensure that those employees hired under the on the job training program for workers over 45 are, in fact, being trained?

Mr. Byrne: The employer in applying for approval of his job vacancy under the provisions of the older worker employment and training incentive program describes the training to be given the worker. Each month in applying for payment of the incentive he certifies that he has conformed with the training and other provisions of the program. An evaluation of all aspects of the program is being carried out including training.

HARBOUR IMPROVEMENTS, MCBETH POINT, LAKE WINNIPEG

Question No. 1,049—**Mr. Stefanson:**

1. What improvements has the government planned for the harbour at McBeth point on lake Winnipeg?

2. What is the estimated cost and when will this work be carried out?

Mr. Deschatelets: 1. The department is investigating possible improvements to the breakwater facilities at McBeth point.

2. This information will not be available before completion of the investigation.

FLAG DESIGNS

Question No. 1,062—**Mr. Coates:**

How many flag designs have been received in the office of the Secretary of State?

Mr. Lamontagne: 2,995 designs.

CARGO TONNAGE, SAINT JOHN, N.B.

Question No. 1,066—**Mr. Bell:**

What has been the general cargo tonnage, loaded and unloaded at the port of Saint John, N.B., each year since 1950, expressed as a percentage of the total tonnage of all types of cargo for that port (both excluding and including crude petroleum)?

Answer: General cargo, port of St. John, N.B., expressed as a percentage of the total tonnage of all cargo.[1, 2, 3]

General cargo expressed as a percentage of all cargo.

1951[3]	60.2 per cent
1952	46.1 " "
1953	43.1 " "
1954	40.4 " "
1955	38.2 " "
1956	37.4 " "
1957	34.3 " "
1958	24.6 " "
1959	24.8 " "
1960	17.0 " "
1961	11.7 " "
1962	9.4 " "

[1]General cargo consists of those commodities which are reported to us as "general cargo". The tonnage of "general cargo" has declined because more commodities which were formerly reported as "general cargo" are now being reported by specific commodity name.

[2]Crude petroleum is not included in general cargo figures.

[3]Figures for coastwise tonnage movements are not available and are not included in this total for 1951.

PUBLIC WORKS LAND, DRAYTON VALLEY, ALTA.

Question No. 1,069—**Mr. Horner (Jasper-Edson):**

1. Does the federal Department of Public Works own land in Drayton Valley, Alberta and, if so, is a public building to be constructed on it and when?

2. If the land is not to be used for such a purpose, for what reasons was such a decision taken?

Mr. Deschatelets: 1. The federal Department of Public Works owns property in Drayton Valley, Alberta, which it is holding as a future public building site. No decision has been taken as to when construction may commence.

2. Not applicable.

*SOUVENIR SETS OF CANADIAN COINS

Question No. 1,072—**Mr. Rynard:**

In view of the great demand for souvenir sets of Canadian coins from the mint which has necessitated a closing date of April 30 for further

orders this year, will the Minister of Finance give serious consideration to additional staff at the Royal Canadian Mint in order that the demands of the public may be satisfied and that this branch of government may continue to show a profit?

Mr. Benson: The minister is giving serious consideration to enlarging and improving the capacity of the mint to meet the substantial demands for coin. It will not, however, be possible to meet the demands for souvenir sets of coins this year without prejudicing the ability of the mint to meet the regular demand for coin for circulation, notwithstanding the profit that might be made from souvenir sets. Additional staff alone is not sufficient to meet both demands.

WATER LEVELS, LAKE HURON AND GEORGIAN BAY

Question No. 1,077—**Mr. Smith:**

What effect will the increase of the flow of water from lake Ontario into the St. Lawrence river channel have on the level of the water in lake Huron and Georgian bay?

Mr. Laing: None.

NEW CITIZENS, BRUCE COUNTY, ONT.

Question No. 1,078—**Mr. Loney:**

In the county of Bruce, what are the names and addresses of the new Canadians who received citizenship in the years 1960, 1961, 1962, 1963 and 1964?

Mr. Badanai: The records of the department in respect to persons granted Canadian citizenship are maintained only under the name of the individual applicant and consequently this information is not available.

QUESTIONS PASSED AS ORDERS FOR RETURNS

YUKON TERRITORY—CONTRACTS FOR BUILDINGS, SERVICES, ETC.

Question No. 109—**Mr. Nielsen:**

With respect to the operations of the Department of Public Works in the Yukon Territory, in each case where the answer to part (iv) of question 1,237 (October 4, 1963) is given by sessional paper No. 270, December 9, 1963, as "yes (quotations)" (a) from whom were such quotations requested (b) what was the amount of each quotation (c) what procedure was adopted to obtain such quotations (d) why was it not practicable to advertise for public tenders?

Return tabled.

"HANSARD" SAVING BY ELIMINATING FRENCH TEXT

Question No. 836—**Mr. Marcoux:**

What public funds have been saved on each issue of the English debates since French texts were excluded therefrom?

Return tabled.

[Mr. Rynard.]

IMPORTS AND EXPORTS, LATIN AMERICAN COUNTRIES

Question No. 929—**Mr. Latulippe:**

1. What was the volume and the value of the main exports and imports with the countries of the organization of American states during the past five years?
2. Have any negotiations been started with these countries regarding imports and exports?
3. Has the Department of Trade and Commerce appointed permanent representatives attached to the countries of the common market and, if so, what is the name of each representative and what are the duties of each?

Return tabled.

CANADIAN FLAG

SUGGESTED SUBMISSION OF QUESTION TO REFERENDUM

On the orders of the day:

Right Hon. J. G. Diefenbaker (Leader of the Opposition): I should like to ask the Prime Minister this in regard to the flag question that is now assuming some interest in the country, has he received recommendations and suggestions that the whole question ought to be submitted to a referendum? Has he given consideration to that? Has the government made a decision in that regard?

Right Hon. L. B. Pearson (Prime Minister): Yes, Mr. Speaker, I have received such suggestions, including one from an hon. member in this house yesterday. I answered yesterday that I did not think that would be a practicable or the most desirable course to follow in the circumstances.

Mr. Diefenbaker: From that answer, may we conclude that the decision is that the matter will not be submitted to a referendum?

Mr. Pearson: Yes; the matter will be submitted to parliament.

Mr. Diefenbaker: But not a referendum?

Mr. Pearson: Not a referendum.

EDUCATION

LOANS TO STUDENTS—INQUIRY AS TO LEGISLATION

On the orders of the day:

Mr. T. C. Douglas (Burnaby-Coquitlam): May I ask the Prime Minister if it is the intention of the government that loans to needy students will be available for the fall term. With that in mind, is the intention of the government to introduce the legislation fairly soon?

Right Hon. L. B. Pearson (Prime Minister): Yes, that is our intention. Whether our intention will be carried out will depend on the decision of the house. We hope to get the legislation before the house in ample time for that purpose to be achieved.

[*Translation*]

Mr. Gilles Grégoire (Lapointe): Mr. Speaker, I would like to direct a supplementary question to the Prime Minister. Can he assure the house that before introducing this measure he will enter into the required negotiations with the government of the province of Quebec?

[*Text*]

Mr. Pearson: That matter has already been discussed with the provinces.

LABOUR CONDITIONS

ST. JOHN'S, NFLD.—STEPS TO SETTLE LONGSHOREMEN'S STRIKE

On the orders of the day:

Hon. Michael Starr (Ontario): I should like to direct a question to the Minister of Labour. In view of the fact that a strike of longshoremen in St. John's, Newfoundland, has been in progress for about four weeks can the minister tell us what steps are being taken to assist in bringing the parties together to bring about a solution of this problem?

Hon. A. J. MacEachen (Minister of Labour): The senior officer of the Department of Labour in the Atlantic provinces has been active in the situation for the past several days. The efforts undertaken by him and other officers of the department, in conjunction with a three man committee of the Newfoundland board of trade, have failed up to this time, and there is still quite a wide area of disagreement between the parties.

Mr. Starr: May I ask a supplementary question. In view of this failure, as the minister puts it, to bring the parties together, would not the minister consider trying to bring these parties together on his own initiative?

Mr. MacEachen: Yes, Mr. Speaker; if the circumstances warrant further intervention by the department, that intervention will be undertaken. The parties have rejected a proposal for binding arbitration and the employers, as I understand it, have rejected a proposal for the establishment of an industrial inquiry commission. In this situation, I assure the hon. member for Ontario that at any moment at which further efforts at mediation might be helpful, they will be undertaken.

BASIS FOR FIGURES RESPECTING NUMBER OF UNEMPLOYED

On the orders of the day:

[*Translation*]

Mr. Pierre-André Boutin (Dorchester): Mr. Speaker, I should like to direct a question to the Minister of Labour.

According to the dominion bureau of statistics there were 597,300 persons claiming unemployment insurance benefits on March 31. On the other hand, on April 18, according to official statistics, there were 403,000 unemployed persons across Canada.

Could the minister clearly explain the discrepancy between the two figures, since one is based on a report of the unemployment insurance commission and the other on a sample survey?

[*Text*]

Mr. Speaker: Order, please. Would the hon. member put this question on the order paper?

[*Translation*]

Mr. Boutin: Mr. Speaker, I should like to bring up this matter after ten o'clock.

[*Text*]

FINANCE

FAMILY ALLOWANCES—PAYMENT THIS FALL TO 16 AND 17 YEAR OLD STUDENTS

On the orders of the day:

Hon. J. W. Monteith (Perth): I should like to ask a question of either the Minister of Finance or the Prime Minister. Due to the fact that the amendments to the Income Tax Act having to do with the extension of family allowances to children 16 and 17 years of age attending school have been withdrawn thus far with the intention of introducing a comprehensive amendment some time later, can we be assured that children attending school this autumn will be in a position to receive these family allowances?

Right Hon. L. B. Pearson (Prime Minister): No one can give that assurance because it will depend on the decision of the House of Commons, and when that decision is given.

Mr. Monteith: May I ask a supplementary question. Will the legislation be introduced in the house in ample time to assure that those allowances are available?

Mr. Pearson: Yes, Mr. Speaker.

Inquiries of the Ministry

REMOVAL OF QUEEN'S PICTURE FROM CANADIAN CURRENCY

On the orders of the day:

[*Translation*]

Mr. L. J. Pigeon (Joliette-L'Assomption-Montcalm): Mr. Speaker, I have a specific question for the Minister of Finance. Does he intend to accede to the request made yesterday by the hon. member for Lotbinière (Mr. Choquette) to the effect that the government remove the effigy of the Queen from Canadian currency?

[*Text*]

Mr. Habel: Keep that question for ten o'clock tonight.

Some hon. Members: Order paper.

Mr. Pigeon: Mr. Speaker, I wish to discuss this matter after ten o'clock.

EXTERNAL AFFAIRS

COMMUNIST CHINA—STATEMENT BY EXTERNAL AFFAIRS MINISTER RESPECTING RECOGNITION

On the orders of the day:

[*Translation*]

Mr. Guy Marcoux (Quebec-Montmorency): Mr. Speaker, I should like to direct a question to the Secretary of State for External Affairs now that he is back in the house. Can he explain what he meant in The Hague when he spoke about a new Canadian policy concerning communist China?

Hon. Paul Martin (Secretary of State for External Affairs): Mr. Speaker, I will have the opportunity to discuss this matter on Friday next, when we will study the estimates of the Department of External Affairs.

[*Text*]

Mr. Barry Mather (New Westminster): Mr. Speaker, with your permission I have a question I would like to ask the Secretary of State for External Affairs. Having in mind what appear today to be the gathering clouds over Laos, South Viet Nam, Cuba and the Middle East, would the minister undertake to include in his statement on Friday, on the estimates of his department, his assessment of Canada's involvement or relationship in these dangers?

Mr. Martin (Essex East): Mr. Speaker, there will be an opportunity on Friday to discuss these matters.

[Mr. Pearson.]

CYPRUS—NEGOTIATIONS FOR PURCHASE OF MILITARY EQUIPMENT

On the orders of the day:

Mr. T. C. Douglas (Burnaby-Coquitlam): I wish to ask the Secretary of State for External Affairs if his attention has been drawn to reports that the government of Cyprus is negotiating the purchase of bombers, fighter planes, torpedo boats and heavy equipment, and whether any representations are being made to the government of Cyprus through the United Nations to make sure that these purchases will not be used to further aggravate the delicate situation in Cyprus at the present time?

Hon. Paul Martin (Secretary of State for External Affairs): The answer is yes, sir.

COAL

REQUEST FOR INCREASED PURCHASES FROM NOVA SCOTIA BY ONTARIO HYDRO

On the orders of the day:

Mr. Robert Muir (Cape Breton North and Victoria): I should like to direct a question to the Minister of Trade and Commerce. In view of a report in today's *Globe and Mail* that the cost of United States coal in Ontario will increase substantially in the near future, and in view of the fact that the amount of United States coal imported into Canada last year was up by two million tons over the previous year, would the minister consider making representations to Ontario hydro to encourage increased purchases of Nova Scotia coal?

Hon. Mitchell Sharp (Minister of Trade and Commerce): Mr. Speaker, I will be glad to take the hon. member's suggestion into consideration.

[*Later:*]

Mr. Lawrence E. Kindt (Macleod): Mr. Speaker, I have been trying to catch your eye for five minutes. Sitting back here in the corner, as I am, that seems impossible. I wanted to ask a supplementary question of the Minister of Trade and Commerce but I see he has left the chamber. I only hope some other minister or member of his staff will take note of it. Now that he is giving consideration to supplying the Ontario market with coal, and in view of the rise in price of United States coal, I hope he will take into consideration the supply of coal which has traditionally served Ontario from the Crowsnest pass of Alberta. I ask him if he will take into consideration the coal from the Crowsnest pass of Alberta.

THE MINISTRY

NATIONAL REVENUE—APPOINTMENT OF MINISTER

On the orders of the day:

[*Translation*]

Mr. Marcel Lessard (Lake St. John): Mr. Speaker, I should like to direct a question to the Prime Minister.

In view of the fact that we are beginning to receive a great many complaints from our people about the 1963 income tax, could the Prime Minister tell us whether he intends to appoint a minister of national revenue soon so we could discuss those problems with him, because I do not believe the present minister will be there permanently? It would be a good thing if we could have discussions with the minister who will be appointed to that post.

[*Text*]

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, the present minister is of course competent to deal with these matters, and we hope before long there will be a permanent minister appointed.

DOMINION-PROVINCIAL RELATIONS

STUDY OF EFFECT ON CANADA OF SEPARATION OF QUEBEC

On the orders of the day:

Mr. Reid Scott (Danforth): Mr. Speaker, I have a question for the Prime Minister of which I sent him notice. In view of the action of the Quebec legislature in setting up a committee to study the social, cultural and economic effects of separation upon the province of Quebec, and in view of the urgent need for the widest possible dissemination of information on this subject and in particular its effect on the rest of Canada, would the government consider ordering a study of the economic, cultural and social effects upon the rest of Canada of separation by Quebec, so the fullest measure of information would be available to discuss this important subject?

Right Hon. L. B. Pearson (Prime Minister): Well, Mr. Speaker, the government would be glad to give consideration to the hon. gentleman's proposal, but I would like to add that we are convinced any such study would be entirely academic, because no such separation is going to take place.

Some hon. Members: Hear, hear.

Mr. Scott: I am sure the sentiments of the Prime Minister are shared by every member in the house, but is he aware that there are people in Canada who really think Canada can

get along separately, and that it might be useful if this type of information were available?

Mr. Pearson: Mr. Speaker, I am very much aware of that, and I repeat we shall give consideration to the hon. gentleman's proposal.

[*Translation*]

Mr. L. J. Pigeon (Joliette-L'Assomption-Montcalm): Mr. Speaker, I should like to direct a supplementary question to the Prime Minister.

In the name of national unity, had the Prime Minister given instructions to the Minister of National Defence (Mr. Hellyer) to denounce Mr. René Lévesque because the latter is in favour, for Quebec, of the status of associated state?

Some hon. Members: Ten o'clock.

[*Text*]

Mr. Pigeon: Yes or no? Mr. Speaker, I want to discuss this matter after ten o'clock.

Mr. Speaker: The hon. member asked a question but I did not hear any answer. In view of the fact that there is no answer there can be no disagreement or dispute, and I do not see how the hon. member could discuss this at ten o'clock.

Mr. Pigeon: It is a proper question.

[*Translation*]

Mr. Speaker, I should like to raise a question of privilege. I directed a question to the right hon. Prime Minister and I got no answer. Under the standing orders I think I am authorized to raise that question after ten o'clock, at the first opportunity.

Some hon. Members: Tonight.

[*Text*]

Mr. Speaker: I want to assure the hon. member I will take it into consideration and give a decision just as soon as possible.

AGRICULTURE

EGGS—DROP IN PRICE IN WESTERN CANADA

On the orders of the day:

Mr. Reynold Rapp (Humboldt-Melfort-Tisdale): Mr. Speaker, I would like to direct a question to the Minister of Agriculture, but in his absence maybe some other minister will take it as notice. Could the minister explain to the house the drastic drop of 17 cents per dozen in the price of grade A eggs in the western provinces? What steps, if any, has the government in mind to stop this unheard-of

price drop? At the present time the wholesaler gets more for grading and packaging the eggs than the producer receives.

Mr. Speaker: Would the hon. member put this on the order paper.

UNEMPLOYMENT INSURANCE

INQUIRY AS TO AMENDMENTS RESPECTING FUND

On the orders of the day:

[*Translation*]

Hon. Théogène Ricard (St. Hyacinthe-Bagot): Mr. Speaker, I should like to direct a question to the Minister of Labour. Since more than half a million Canadians are receiving unemployment insurance benefits, could the minister tell us what is the present financial position of the unemployment insurance fund?

[*Text*]

Hon. A. J. MacEachen (Minister of Labour): Mr. Speaker, I would be glad to answer this question, which is statistical, if my hon. friend would put it on the order paper.

Right Hon. J. G. Diefenbaker (Leader of the Opposition): In this connection, Mr. Speaker, in view of the fact that the rehabilitation of the bankrupt unemployment insurance fund was spoken of as one of the priorities, I would like to ask the minister is it just a matter of coincidence that it did not appear on the list of matters to receive attention before the summer recess?

Mr. MacEachen: Mr. Speaker, the intention of the government with respect to action in the way of amending the unemployment insurance fund was stated by the Prime Minister during the debate on the address in reply, and no change has taken place with respect to that declared by the Prime Minister.

Mr. Diefenbaker: That still does not answer the question. Is it the intention of the government to bring in any measure before the summer recess to rehabilitate that fund?

An hon. Member: What recess?

Some hon. Members: Oh, oh.

Mr. Diefenbaker: Mr. Speaker, I wonder whether the parrots over there could be kept quiet.

Mr. Speaker: Order, please. It is quite impossible for the Chair to hear the questions unless there is better order.

[Mr. Rapp.]

URANIUM

DISPOSITION OF UNFILLED PORTION OF GUNNAR MINES CONTRACT

On the orders of the day:

Mr. H. W. Herridge (Kootenay West): Mr. Speaker, I wish to direct a perfectly proper question to the parliamentary secretary to the Minister of Trade and Commerce. I apologize for not giving more notice, but the question got immersed in the Columbia river documents. Would the parliamentary secretary inform the house what is the government's intention with respect to the disposition of 1,200,000 pounds of uranium oxide from the Gunnar Mines unfilled contract?

Mr. Speaker: Important as the question is, surely it is not the type that should be asked at this time. Would the hon. member put his important question on the order paper.

Mr. Herridge: Mr. Speaker, I would like to give notice to have a go at ten o'clock.

COMMONWEALTH RELATIONS

TRINIDAD—CONFERENCE TO CONSIDER CLOSER TIES WITH CANADA

On the orders of the day:

Mr. Thomas M. Bell (Saint John-Albert): Mr. Speaker, I have a question for the Secretary of State for External Affairs. Is the minister aware that on Monday the prime minister of Trinidad announced details of a high level conference this year on closer ties with Canada? If so, can we have the details here, and can we be assured that the government will take an enthusiastic part in such a conference?

Hon. Paul Martin (Secretary of State for External Affairs): Mr. Speaker, I have not seen the announcement or story of which my hon. friend spoke. When the prime minister of Trinidad was in Ottawa, the Prime Minister of Canada and I had some discussions with him on closer relations with the Caribbean commonwealth countries. Consideration is being given to this matter, and when it has been formally discussed with all of the countries concerned we may be in a position to make a more definite statement.

Mr. Bell: Is the minister aware that the serious-minded President of the Privy Council advocated closer ties for many years, which could amount to a promise by the government to get moving in connection with this most important matter which is of special urgency now because of the transformation through which the West Indies are passing?

Mr. Martin (Essex East): The hon. gentleman has correctly stated the situation. He will find that the action to be pursued in the foreseeable future will not be inconsistent with the attitude taken by this government.

HOUSE OF COMMONS

INQUIRY AS TO FRENCH REPORTING AND TRANSLATION STAFFS

On the orders of the day:

[*Translation*]

Mr. Guy Marcoux (Quebec-Montmorency): Mr. Speaker, I should like to direct a question to the Minister of Transport as regards the translation and interpretation system that we have in this house. On the 8th of October last I asked him a question to which he gave the following answer:

[*Text*]

"Seeking to do everything that can possibly be done to meet them"—that is, to meet the difficulties.

[*Translation*]

I should like to know whether the minister has actually done something to overcome those difficulties.

[*Text*]

Hon. J. W. Pickersgill (Minister of Transport): Yes, sir. I did everything I could while I had the capacity to do it.

[*Later:*]

[*Translation*]

Mr. Robert Beaulé (Quebec East): Mr. Speaker, my question is directed to the Minister of Public Works. Does the minister intend to instal an air conditioning system in the centre block, considering that we will soon have to put up with the warm weather of the summer? I think it is an opportune time to find out what the department proposes to do in that connection.

Hon. J. P. Deschatelets (Minister of Public Works): Mr. Speaker, such a system is included in the overall plan covering the extensive improvements we intend to carry out in the centre block. However, my hon. friend will understand that no work can be started while the house is sitting. The program will be launched at the first opportunity.

[*Text*]

VETERANS AFFAIRS

POSSIBLE TRANSFER OF HOSPITALS FROM FEDERAL CONTROL

On the orders of the day:

Mr. J. Chester MacRae (York-Sunbury): I should like to direct a question to the Minister of Veterans Affairs. Is the minister in a position to answer the question I directed to the Prime Minister yesterday in the hon. gentleman's absence? It is to be found on page 3340 of *Hansard*.

Hon. Roger Teillet (Minister of Veterans Affairs): I did read the question very carefully, and I had a word with the Prime Minister. The situation obviously is that in the final sense the government must take its responsibility, and I cannot foresee what the circumstances might be where agreement would not be forthcoming.

Mr. MacRae: A supplementary question. Perhaps the answer could be expressed this way; that if the Royal Canadian Legion and the other veterans organizations do not agree with the transfer of any of the veterans hospitals, the department will still proceed to carry out these transfers?

Mr. Teillet: I did not give that answer at all. May I say the question appears to be completely out of order. It is entirely hypothetical.

POST OFFICE DEPARTMENT

LOSS OF REVENUE FROM NEWSPAPERS AND PERIODICALS

On the orders of the day:

Mr. Reid Scott (Danforth): I have a question for the Postmaster General. In the light of the hon. gentleman's speech in Montreal, in which he is reported to have said that the main deficit in the accounts of the Post Office Department results from $22 million lost on the mailing of newspapers and magazines, I should like to know, first of all, why this information was not provided to the house during the discussion of the resolution—

Some hon. Members: It was.

Mr. Scott: —and second, does this mean that the legislation will be revised so the revenue from postage on periodicals and newspapers will be increased by $27 million in order to cover this loss, rather than attempting to recover it by increased charges on first class mail?

Mr. Speaker: Order. Will the hon. member put this question on the order paper.

Mr. Scott: I give notice I should like to raise this matter after ten o'clock.

Mr. Pickersgill: I should like to raise a point of order. The hon. member is seeking to debate after ten o'clock a matter which is

before the house for debate now, and it seems to me this is a dubious use of the rule.

Mr. Scott: If the hon. gentleman would give us an assurance that this subject will come up immediately for debate I should be glad to withdraw my suggestion.

INCOME TAX ACT

Hon. Walter L. Gordon (Minister of Finance) moved the third reading of Bill No. C-91, to amend the Income Tax Act.

Hon. Gordon Churchill (Winnipeg South Centre): I rise at this point to ask for information. Bill No. C-91 has been before the house on several occasions. It was amended in several respects and we were quite prepared to complete third reading today, but we should have in our possession the reprinted, amended bill, and copies of that bill have not reached our desks. May I ask the Minister of Finance if they are ready?

Mr. Gordon: Yes, they are ready, Mr. Speaker.

Hon. Marcel Lambert (Edmonton West): I should like the minister to assure us that the change which was requested by the hon. member for Pontiac-Témiscamingue (Mr. Martineau) has been made. This was why the bill was held over last night.

Mr. Gordon: I am glad to give that assurance. I made inquiries earlier this afternoon to make sure the bill had been reprinted in accordance with the undertaking given last night. I am sorry a copy was not sent to the hon. member for Winnipeg South Centre. I believe a copy was sent to the hon. member for Digby-Annapolis-Kings (Mr. Nowlan).

Mr. Churchill: It is not a question of sending one to me. They should be circulated to every member of the house. May I ask the Minister of Finance if he will assure us at this stage, so as not to delay proceedings, that the bill as reprinted is correct in every particular and that the amendments have been made?

Mr. Gordon: To the best of my knowledge and belief, Mr. Speaker.

[*Translation*]

Mr. Gilles Grégoire (Lapointe): Mr. Speaker, before third reading is given to this bill to amend the Income Tax Act, I should like to deal once again with a subject which particularly affects us and which we want to consider when we have the opportunity to do so. We are asked to pass the income tax bill presented by the Minister of Finance, but we are most conscious of certain obligations imposed upon us when considering, from a practical point of view, bills placed before parliament.

We have protested on many occasions against the application of certain bills passed by parliament or against the manner in which these are applied. I merely want to point out to the minister that the Income Tax Act, which we have already passed and amended today, is applied in a vexatious manner in the province of Quebec, especially as regards receipts for charitable donations. Every day, we get complaints about the attitude of the income tax inspectors of the Quebec office concerning the application of the income tax legislation we are passing.

Therefore, I wish to take this opportunity to ask the Minister of Finance to see that, not only we pass income tax legislation, but also—and it is his responsibility—that inspectors respect the legislation that is passed at the request of the Minister of Finance.

Pieces of legislation are submitted to us, explanations are provided but those responsible for their administration should administer them exactly as they have been passed and not only according to their whim or at their convenience, by annoying taxpayers and treating them almost as thieves; they should see that the taxpayers are given satisfaction, in accordance with the provisions of the law, since taxpayers must not only pay to provide for the needs of the government, but at the present time they must put up with the inspectors, especially those of the Quebec office.

I am asking the Minister of Finance, before the third reading, to assure us personally, either by way of an investigation or otherwise, that the pieces of legislation which he sponsors, the measures of the Minister of Finance concerning taxes, are strictly complied with to the satisfaction of taxpayers.

[*Text*]

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

Some hon. Members: On division.

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

BANK ACT—QUEBEC SAVINGS BANKS ACT

EXTENSION FOR ONE YEAR OF AUTHORITY TO CARRY ON BUSINESS

The house resumed, from Tuesday, May 19, consideration in committee of the following resolution—Mr. Gordon—Mr. Lamoureux in the chair.

That it is expedient to introduce a measure to amend the Bank Act and the Quebec Savings Banks Act to extend by one year the authority to carry on business for the banks to which these acts apply.

Mr. Olson: Mr. Chairman, last night when the committee rose I was suggesting that there were a number of recommendations and a number of suggestions of the Porter commission that we in this party endorse and agree ought to be brought in as quickly as possible. As a matter of fact I pointed out that there were in this report a number of what might be called new concepts in the functioning of the banking system in Canada that ought to be accepted. I should like to extend those commendations on behalf of this party by including that part of the royal commission's recommendations where it says that the commission also recommends that steps be taken to guard against excessive concentration of the financial system and to outlaw price arrangements among financial institutions. Then this is found at page 369 of the report, where the commission points out:

—competition is an uneasy state and that, however much they may thrive under it, businessmen have an inclination to protect themselves against it.

I think perhaps this is as true in the banking business as in other businesses. The commission also recommends that the Minister of Finance be granted the necessary powers to prevent lending and borrowing agreements among banking institutions, and that there be a limit on the extent of interlocking directorates between banking institutions and other financial institutions. As I pointed out, Mr. Chairman, with this we agree; but when it comes to matters of monetary policy and debt management which are covered in chapter 22 of the Porter commission report, I want the Minister of Finance to know that we in this party take very strong exception to some of the remarks contained in this chapter and to the concept that the commission seems to have adopted. For example, on page 453 the report says this:

Despite a recent revival in a subtle form of the "burden of the debt" controversy, it is generally accepted that domestic interest payments are best thought of as part of a transfer process which has effects on the distribution of incomes and wealth and involves some administrative costs but does not impose other real burdens on the community as a whole.

If $1,035 million in annual interest charges that is paid by the taxpayers of this country is best thought of and generally accepted as not being a burden to the community, we cannot agree and we do not accept this concept at all. The report goes on to say:

Since virtually all of the federal government's debt is held within Canada, the transfer argument applies in our case.

If all the people of Canada had an equal share in the debt of the country, I would suggest that this is valid; but we have only to turn our memories back to 1958, when the federal government chose to call in all the victory bonds that had been issued during the war and convert them to other long term issues. Under questioning at that time the minister of finance was asked, "Where did you find these victory bonds?", because of course most of them were non-registered, marketable securities. He did not give an exact answer as to who owned them at that time, but I think he did say he was alarmed at the number that had been found in the vaults of the chartered banks and the other financial institutions. If it is generally accepted and best thought of that these interest charges that are paid by the federal treasury are a means of distributing some of our income to these financial institutions—if this is the purpose—I think the financial and monetary system of this country has reached a new low in its function. We cannot accept that, Mr. Chairman. Of course, we see that the author of this report takes a swipe at the Social Credit party, when over on the preceding page he says this:

The view that government should pay no interest on its debt, financing its needs solely by the issue of currency, is the *reductio ad absurdum* of a cost minimization approach. Such a policy in conjunction with deficits in the government's accounts would lead inevitably to extreme credit ease throughout the system, an exchange crisis and finally uncontrollable inflation. Many of those who propose this view ignore the physical limitations on economic output, assuming that what can be paid for can be produced at current market prices.

We do not suggest that the government should pay absolutely no interest on its debt. The argument that they use to follow this up is:

Many of those who propose this view ignore the physical limitations on economic output, assuming that what can be paid for can be produced at current market prices.

What we have said is that what can be produced, can be paid for—and not the other way around. What we have said is that what is physically possible should be made financially possible. We believe that if the review and the amendments to the Bank Act that will be coming up, which is in fact a mandatory obligation of this house, is going to be based on this kind of concept in so far as monetary policy and debt management is

concerned, we are not going to get out of the financial problems that the federal levels of government and all other levels of government are having. I think it is time the Minister of Finance rose and gave us some explanations respecting this paradox, in that we seem to have reached the stage where we must have deficits, and everybody accepts that. The Conservatives were in office from 1957 to 1963 and they had a deficit very single year during that period. Since the Liberals have come back to office, in spite of the terrible things they have said about deficits they too are budgeting for a deficit. Furthermore, there is no indication at this time that they even have their sights aimed at a date when they will be able to manage the affairs of this country without having a deficit.

I want to say in fairness, Mr. Chairman, that we in this party have criticized the enormous deficits we have had in the past few years, but having said that I think that if we had to choose between deficits and the kind of economic contraction which leads to the depression of the type we knew in this country prior to the second world war, we and everyone else in the country would prefer deficits rather than setting that kind of economic activity in motion.

The interesting thing about these deficits is that in the space of three or four years since 1958 we have also had an expansion of the interest charges on the national debt, which annually amounts to more than the deficit itself. This is the kind of paradox which I think the Minister of Finance should explain. I would ask why it is that if we have to have deficits to keep our economy buoyant, along with those deficits we have to have increased interest charges which more than account for the deficits? Our party has advocated for years that if we could take the first step toward putting a solid foundation under our social capital requirements and had this money provided by the Bank of Canada, eventually we would be able to inject new money into our economy to keep it going to the extent of its physical limitations, while at the same time keeping debt charges down. In that way we would not run into the situation where our debt charges add more and more to our deficits, and where the higher are the debt charges the higher are our deficits. It is really a vicious circle.

The report goes on to say that—there are those—and I presume that refers to those in the Social Credit party—who say that we should pay all our expenses with new money. That is, all our government expenses. We have never said that. We have said that part of the social capital requirements could be supplied by the Bank of Canada. In the last fiscal year, 1963, reports indicated that there was an expansion in the money supply in this country of $1,345 million. If the federal government needed about $700 million in new money of that $1,345 million, we consider this expansion of the social capital requirements could be supplied by the Bank of Canada. I cannot understand why it would be any more inflationary if this money were to come from the Bank of Canada than if it were supplied by the other chartered banks in the country. I cannot understand why it would increase inflationary pressures if it came either from the chartered banks or from the Bank of Canada. When parliament gets to the point of sending to the standing committee on banking and commerce for recommendations to change the bank charters of this country, we believe there should be some new recommendations made respecting the Bank of Canada as well.

The Porter commission dealt with this matter to some extent I believe in chapter 26. We all remember the controversy between the minister of finance and the governor of the Bank of Canada in 1961, I believe it was, and this has been taken into consideration by the commissioners. As reported at page 543 of their report they say:

> The Bank of Canada Act should be amended to make this clear and to provide the Minister of Finance with the right to issue a directive to the bank if the government disapproves of its policy.

I am happy to see these words in the report, because I think the commissioners have recognized that the political authorities in this country must be supreme and that all the branches of government must, in the final analysis, acquiesce in the wishes of the federal cabinet. The report goes on to say:

> We therefore recommend that any directive take the form of an order in council to ensure that it receives cabinet consideration—

So apparently after we adopt these recommendations there need no longer be any conflict between the incumbent minister of finance and the governor of the Bank of Canada.

I am not going to go any further at this time, Mr. Chairman, but my reason for drawing these matters to the attention of the Minister of Finance now is that if he also accepts what the report says is generally accepted and best thought of with respect to the interest charges on the national debt, then

we are going to have a great deal of difficulty in trying to come to some kind of agreement as to how the Bank Act should be amended, after it is reviewed.

[*Translation*]

Mr. Rondeau: Mr. Chairman, with regard to the resolution to amend the Bank Act so as to enable our Canadian banking institutions to carry on business for another year, I was unable to find in the explanation given by the Minister of Finance (Mr. Gordon) the main reasons why a one-year extension was being granted to them without amending the present act.

Everybody may not share our opinion to the effect that financial reforms should be made in our country, but everybody agrees, however, that the financial situation in Canada is one of the most serious and probably one of the most urgent problems.

When we consider the whole financial situation of Canada, and in particular the financial situation of the provinces, of our municipalities and school boards, in short when we see that the provincial governments, and more especially the Quebec government, are forced to take steps, at this time, to find the necessary funds in order to meet their requirements, I think that it would have been appropriate, this year, to introduce amendments to the Bank Act, because if we postpone that review for another year, we postpone by that much the introduction of proposals or amendments to the present act which could be brought about this year.

Unfortunately, today, in our modern world, no difference is made between public and private capital; our banks are there to play their part as financial institutions to meet the needs in private capital, they are there to live, make money, make profits and they set up their organization in the private sector to make such profits. That is normal and we do not blame them at all for making money, but we are against the banks having access to the public sector; as private organizations they should not finance the public sector, they should not invest in our municipalities, school boards or anything that comes under the federal government.

Public capital does not bear interest; no profit can be made out of highways because they are public capital. Nowadays, money is borrowed from private enterprises to be invested in public capital; citizens are compelled to pay interest because private enterprises have been allowed to receive interest which they should not claim.

I would like the Minister of Finance to tell us what he thinks about that and whether he puts private capital and public capital on the same footing. Indeed, he is a businessman, and an experienced accountant; he admits that capital must earn a profit, but it is not normal that a municipality or a school board, which do not make any profit, should be compelled to pay interest to private companies in order to develop.

When public works are carried out nowadays, the taxpayers and electors have to pay, through interest charges, two or three times for the schools, bridges and roads which are built, because the Bank of Canada does not provide the necessary public capital.

For years now Social Crediters have been saying that banks have the right to operate in the private sector of our economy. Financiers who invest money in private enterprise have the right to expect a profit, but we who advocate Social Credit, have also stated that banks should not finance non-profit public projects. That is why we make a distinction between private and public capital. That is also the reason why we ask the Minister of Finance once and for all to take his responsibilities concerning the Bank of Canada and to bring it to play its role in the field of public capital.

Investment is needed everywhere in fields which do not yield any interest but which are beneficial to everybody. The Bank of Canada should be there to meet the needs of public capital and the requirements of our society.

Now, I wonder when the Minister of Finance will assume his responsibilities once and for all in the field of public financing; we are here in parliament to satisfy the needs of the general public. We find it stupid that a government has to borrow from private institutions, from chartered banks, money which it could obtain from the Bank of Canada at 1 per cent instead of 6 per cent, as our public bodies are now doing. The country or the central administration would save a great deal of money that way.

We should realize that the Minister of Finance, in his budget, has almost a billion dollars interest on the public debt. We must pay every year a billion dollars in interest, that is, as the hon. member for Medicine Hat (Mr. Olson) said, a little more than the amount of our annual deficit. We had several deficits under the Conservative administration, we had another one last year and

we will have a new one in 1963-64, because nothing is changed in the monetary and financial policy.

Finance is very important in the management of a company, and it is even more so in the federal administration. Nevertheless, it does not seem that much interest is shown in that. When Social Crediters speak of finance, there is a tendency to laugh at them. However, it is the most important problem in Canada, because if we have to go on seeking for and borrowing money in the world, in the United States, New York, Washington, from the American or Canadian finance companies, in order to develop our country and pay back, after 30 years, twice the value of the borrowed capital, we will never get out of our debts which will increase from budget to budget; and if our debts increase, taxes will increase also. Now, when taxes go up, the cost of living necessarily goes up. It is necessary to include in tax increases—

The Chairman: Order. The hon. member will allow me to interrupt him for a moment only, in order to ask him whether it would be possible for him to relate his remarks to the resolution now before the committee.

Mr. Rondeau: Mr. Chairman, it seems to me that my remarks are relevant to the proposed measure: to maintain for another year the power our banks now have. The Minister of Finance did not tell us why he wanted to give banks another year without improving at all, through an amendment, the existing legislation.

Now, I should like him at least to tell us what amendments he intends to bring to the Bank Act. Indeed, why give one more year, if no change to the present act is anticipated? If the minister wishes to give the banks an additional year for their operations, I believe that some amendments must be made to this act. It would give us an opportunity to help him if we discussed those amendments, because at present we cannot see the reasons why the government wants to give the banks one more year, when this is supposed to be done every ten years.

Those are the reasons why I made my observations concerning this resolution. Now, we will wait for the bill to have more details concerning that matter. But once again, Mr. Chairman, I want to say that it is stupid to live in a country as rich as Canada, as well organized in terms of production, and to have a financial system according to which the more we develop, the more debts we have.

[Mr. Rondeau.]

[*Text*]

Resolution reported and concurred in.

Mr. Gordon thereupon moved for leave to introduce Bill No. C-98, to amend the Bank Act and the Quebec Savings Banks Act.

Motion agreed to and the bill read the first time.

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

Mr. MacNaught: I wonder whether we could have unanimous consent of the house to have second reading of the bill now. We have a few copies available for distribution and they can be distributed immediately. It is only a short bill.

Mr. Pigeon: Have you copies in French and English?

Mr. MacNaught: In French and English.

Mr. Deputy Speaker: By leave, now?

Some hon. Members: Agreed.

[*Translation*]

Mr. Gérard Perron (Beauce): Mr. Speaker, I am opposed at this stage to the second reading of this bill because, in my opinion, it is of the utmost importance to know exactly the content of the bill in order to have the opportunity for explanation and study. Consequently, I am against the second reading of the bill.

[*Text*]

Mr. MacNaught: The bill is being distributed, and the hon. member could take a moment to look it over.

[*Translation*]

Mr. Guy Marcoux (Quebec-Montmorency): Mr. Speaker, the Porter commission took several years to study all the suggestions made and to arrive at a decision. In the circumstances, it would perhaps be appropriate for us to take more than a few minutes to study this bill. Consequently, I suggest that the second reading of the bill be deferred to another sitting of the house.

[*Text*]

Mr. Deputy Speaker: Second reading at the next sitting of the house.

TERRITORIAL SEA AND FISHING ZONES

LEGISLATION RESPECTING TERRITORIAL WATERS AND FISHERIES LAWS

Hon. Paul Martin (Secretary of State for External Affairs) moved the second reading of Bill No. S-17, respecting the territorial sea and fishing zones of Canada.

He said: Mr. Speaker, because of its importance I intend to make some general remarks on the bill, which has to do with the territorial sea and fishing zones, and which is now before the house for second reading. It is the intention of my colleague the Minister of Fisheries (Mr. Robichaud), who has been very intimately associated in this matter with me in my capacity as Secretary of State for External Affairs, that the bill be referred to the standing committee on marine and fisheries.

The bill before the house has two principal purposes and these are accomplished each in a somewhat different manner. They are both set out in the first part of the bill, as hon. gentlemen will have noted.

First, the bill establishes the fishing zones of Canada at 12 miles from the coast line. When it is passed by parliament and proclaimed, Canada will have a fishing zone in the 3 to 12 mile area off our coast line. This, in the view of the government, is a fundamental achievement of the bill. It is not enabling legislation in this respect. On proclamation, the 12 mile fishing zone will be established. I must emphasize there is no doubt, and there can be no doubt, about this point.

Canada has never published official charts showing the present base lines, but for at least parts of our coast the base lines follow the sinuosities of the shore. Pending the establishment of straight base lines, the fishing zones will be measured from the existing ones. This is clearly provided for in the bill.

The second important purpose of the bill is to apply the straight base line system to the Canadian coast line. This part of it, unlike the section concerning fishing zones, will be of an enabling character. When the bill comes into effect the governor in council will be authorized to draw straight base lines. The question may be asked: what does this achieve? In response, I would say that what the bill accomplishes is of great significance. It makes applicable the straight base line system to the Canadian coast. These straight base lines will be drawn in accordance with international law, on the basis of the decision of the International Court of Justice in the Anglo-Norwegian fisheries case and of the Geneva convention on the territorial sea and fishing zones and taking into account Canadian historic interests in the bodies of water off our coasts.

Thus, while the bill is enabling in so far as the drawing of specific or individual base lines is concerned, it has this immediate general effect; it makes applicable, on proclamation, the general system of straight base lines to the Canadian coast line. The authority that is given to the governor in council is with respect to the specific lines to be drawn and the exceptions to be made. The larger effect of the bill is to make applicable the principle of the straight base line system to Canada. Hon. members will note that the bill specifically provides that all areas enclosed by the new straight base lines will be internal waters of Canada. This is important and may have far reaching consequences.

Part II of the bill consists of the amendments that are to be made to certain acts of Canada pursuant to the main purpose of the bill. These are consequential changes which will make existing legislation applicable to the new fishing zones and areas within the straight base lines. The acts amended are the Aeronautics Act, the Canada Shipping Act, the Criminal Code, the Customs Act, the Fisheries Act and the Coastal Fisheries Protection Act. Their provisions will now conform with part I of the bill. Part III of the bill provides that the act will come into force on a day or days to be fixed by proclamation of the governor in council.

This, in brief, is the general scheme and contents of the proposed legislation on the territorial sea and fishing zones of Canada. I am sure the house will agree that this bill is of the greatest significance for our country.

I have heard some say that we are going too fast; that we should not consider moving forward unilaterally; that parliament should not be asked to take action until a general international agreement has been reached or until specific agreements are worked out with the countries fishing off our coasts. On the other hand, I have heard comments that we are moving too slowly; that we should now embody in the bill the co-ordinates of points from which the base lines are to be drawn; that the bill should designate the specific bodies of water which we are closing off. I need only add in passing, of course, that we are now in the stage of very important negotiations and this, in itself, answers any criticism in that regard.

I am convinced that in taking this action now—as the government is doing, unilaterally —Canada is acting in accordance with present day international law and practice. The government is convinced that we are following the wisest course in immediately seeking agreements with the countries affected by our action. We are equally convinced that we must carry forward our negotiations with these countries before we proclaim the base

lines for our entire coast line. We are confident, in short, that we are proceeding in the proper way.

Let us look for a moment at the suggestion that we should not act unilaterally. This house knows of the great efforts made for many years to achieve international agreement. This house knows how Canada tried at the two law of the sea conferences—and before and after them—to achieve some form of international agreement.

Canada was the first country to put forward in an international forum the concept of a 12 mile fishing zone in which a state has the same jurisdiction over fishing as it has in its territorial sea. This was the general assembly in 1956. Canada took the lead at the first law of the sea conference in 1958 as my hon. friend, the former minister of fisheries, will attest. The then government of Canada made the most strenuous efforts to obtain support for the 12 mile exclusive fishing zone. Notwithstanding all the efforts that were put into that particular initiative, the proposal failed.

The period before the second law of the sea conference in 1960 was one of most intensive diplomatic activity. At the conference itself Canada sought the support of the United States, Britain and the western European countries for our formula of a six mile territorial sea, six mile exclusive fishing zone, and a ten year phasing out period. Had these states supported us at the first conference there is no question that we would have had agreement on a rule for the territorial sea and for an exclusive fisheries jurisdiction.

But it was too late. The second conference followed in the footsteps of the first; it failed. It failed by a single vote, but the fact is that it failed.

Then Canada took the lead once again in trying to pick up the remains of the second Geneva conference. Canada tried to win support for a multilateral treaty among like-minded countries in favour of our proposal at the second Geneva conference, and my recollection is that this was done by the former administration in February, or thereabouts, of 1963. But the results were inconclusive. Once again our efforts on the multilateral plane had failed.

When the present government took office a year ago we came to the conclusion—and we regretfully came to it—that for the foreseeable future there was no possibility of reaching general agreement on a 12 mile fishing zone.

Canada had to make a choice. There were two possibilities. We could have decided in favour of postponement. This would have meant an indefinite delay. This would have meant that we would not have for a long time the 12 mile fishing zone which this legislation will make possible. Meanwhile, our resources would have continued to be depleted, as greater and greater fishing fleets drew nearer our shores. Or, we could have decided to establish a fishing zone without waiting for international agreement, and to draw the fishing zone from straight base lines.

Our experts looked at the situation in international law. We found that there were 42 countries which claimed a territorial sea limit of more than three miles. We found that 23 countries claimed fishing zones in excess of their territorial sea. There were thus over 50 countries claiming control over fisheries beyond the traditional three mile rule. In the circumstances the government concluded that a decision by Canada to establish a 12 mile fishing zone from straight base lines would be soundly based on present day international law and practice. We chose this course, and so the government has brought forward accordingly the legislation we are now considering.

In establishing the fishing zones of Canada and in making applicable the straight base line system to our coast line, the bill provides a legal basis for the international achievement of our aims. Our action is in this sense unilateral, for who else can proclaim base lines or establish the fishing zones for Canada?

But at the same time we know that our action has international implications. We know that, notwithstanding the many countries claiming limits beyond three miles, there are a number of states, important fishing nations, which firmly maintain that they are not bound to recognize any limits beyond the traditional three mile rule. Consequently, it will be recalled that the Prime Minister informed this house a year ago that we would consult with the countries affected by our action and that we would seek to work out satisfactory arrangements with them.

When the government took its decision to establish a 12 mile fishing zone and straight base lines, we did not minimize the problems involved in some of the negotiations lying ahead of us. Nor do we minimize them now. These negotiations may be difficult and we must accept this fact.

When a country seeks to achieve recognition for what it has done, when it seeks to protect its interests, it must be prepared to

discuss and to negotiate with the countries that are affected. Existing in a world of sovereign states, we must do the best we can to achieve our ends through negotiation.

This is what the government of Canada is now in the process of doing. We have already had three rounds of negotiations with the United States. In the last two months we have had a round of discussions with Norway, Denmark, Britain, Portugal, Spain, Italy and Japan. All these countries sent officials to Ottawa to have talks with us, and in our negotiations with the United States one of the meetings took place in Washington. I am hopeful that in all cases our discussions will work out satisfactorily, but I do not want in any way to minimize the difficulties of the negotiations themselves.

Hon. members may ask what is the basis of our talks with these countries? What do we expect to achieve? What base lines are we asking these countries to accept or to acquiesce in? These are fair questions and I will try to give a clear and frank response.

When straight base lines are proclaimed in whole or in part for the Canadian coast line, and when Canadian laws are enforced in the fishing zones, the situation will be as follows:

First of all, those countries which have not fished in the three to 12 mile zone or have just begun to fish, will not be able to come in under Canadian law. They must cease their operations at once, both in the fishing zone and in the internal waters enclosed by the base lines. I would urge the house not to underestimate the importance of this fact.

Since the last war we have seen the birth of enormous fishing fleets of certain countries, ranging thousands of miles away from their home ports. These ships are equipped with the most modern equipment and use the latest techniques. So far the vessels of certain important fishing countries have not come within 12 miles of our coasts. It is possible that they might do so soon. By establishing fishing zones now, before they can lay claim to any so-called historic fishing rights, we are excluding them under Canadian law from coming into our 12 mile zone in future, and we are thus protecting the living resources of our adjacent areas.

Second, as I have said, we are now discussing arrangements with those countries which do not possess treaty rights but have fished off our shores for many years. I refer to Portugal, Spain, Norway, Denmark, Britain and Italy. There is no question in our minds of allowing the indefinite continuation of historic fishing rights for these countries. The basis of our proposals to them is the possibility of allowing a period of time for adjusting their fishing operations so that their fishermen do not suffer any undue economic loss.

Under such arrangements, fishing by these countries would continue for a period of time, subject to non-discriminatory Canadian regulations. But it would then cease and, like those states which do not claim traditional fishing rights, fishermen of these countries would not be allowed to come into the 12 mile zone under Canadian law.

Third, we have had discussions with those countries which do possess treaty rights off parts of our shores—the United States and France. The French have had treaty rights for over two centuries to fish off parts of our coastline. Under the convention of 1904 they have the right to fish off the west, and parts of the northeast coast of Newfoundland. With the United States there is the treaty of 1818 providing specific fishing rights off the coast of Labrador and parts of the coast of Newfoundland. These rights allow United States fishermen to fish within the three mile limit. In addition, there is the treaty of Washington of 1912 between Canada and the United States which ended a long and complicated series of negotiations and implemented, in part, an award by an international tribunal based on the treaty of 1818. The treaty of Washington specified terms for the closing of a number of bays on the east coast of Canada, both inside and outside the gulf of St. Lawrence.

We have made clear that the United States and France will be allowed to continue to fish in those areas where they have fished before, subject to agreed arrangements and regulations for the protection of the fisheries concerned.

I have said that the bill makes applicable the straight base line system to Canada. When the specific base lines are delineated, all the waters inside these lines will become internal. The territorial sea and fishing zones will be drawn seaward from the new base lines. Thus, the delineation of the new lines may affect the fishing operations of other countries. In some cases, their traditional fishing practices may be disturbed. For this reason, it is necessary to determine the general effects of our action on the countries concerned before publishing the base lines. Pending this determination and an opportunity to carry forward our discussions with the countries concerned, we have decided to allow a short period of time to elapse before starting to enforce Canadian laws in the fishing zones of Canada.

Both my colleague the Minister of Fisheries (Mr. Robichaud) and I have already emphasized that we were not in a position to indicate the state of our negotiations concerning our straight base lines and the bodies of water which may be enclosed by these base lines. I am sure this will be understood. While negotiations are under way with foreign powers, friendly though they may be, no disclosure may be made until such time as it is in the interest of the parties concerned. To take any other course would be self-defeating. I can make clear, however, that in a general way we have based ourselves on the brief by the fisheries council of Canada of January 28, 1963, which recommended closing lines for the gulf of St. Lawrence, the bay of Fundy, Hudson bay and Hudson strait, Dixon entrance, Hecate strait and Queen Charlotte sound. I cannot at the present time go beyond this general indication of our position.

I am hopeful, however, that our discussions will soon be completed and that the governor in council will be in a position before the end of the year to proclaim a list of geographical co-ordinates of points for application of the straight base lines to at least a part of our coast line. If our optimism, here, proves unwarranted it will not be because this is not our present appreciation of the situation; it will be because of the nature of the negotiations themselves. It is unlikely that the governor in council will publish points covering our entire coast line in his first list. It is possible that, depending on how our discussions proceed, he will publish several lists and that, in the first, base lines will come into force only for those areas in respect of which we have completed our talks.

I should like to conclude by discussing briefly our negotiations with the United States. The Prime Minister (Mr. Pearson) said on June 4:

> In my discussions with President Kennedy at Hyannis Port, I informed him that the Canadian government would shortly be taking decisions to establish a 12-mile fishing zone. The President reserved the long standing American position in support of the three mile limit. He also called attention to the 'historic' and treaty fishing rights of the United States and I assured him that these rights would be taken into account. Discussions will be held with the United States with a view to determining the nature and extent of the United States' rights and interests that may be affected by the action which Canada is taking.

I am confident that the United States and Canada will be able to work out a solution in this field, as we have in other difficult problems. In view of our tradition of the closest co-operation, I remain optimistic that we will reach a satisfactory common accord.

[Mr. Martin (Essex East).]

But we have not yet been able to settle all outstanding questions. On most matters there are no differences between us; in certain other areas, our points of view have yet to coincide.

The Prime Minister made clear in the house that Canada for its part is prepared to be fair and just towards our neighbour. In our efforts to reach an accord with the United States we will continue to be guided by our tradition of friendship. We are convinced that our case is a fair one, solidly based on legal, economic, and historic considerations as well as those of a security nature. The configuration of our coast line, the needs of our people, and the interests of our security, require us to draw base lines so as to enclose Canadian internal waters. We have informed the United States that in view of their treaty rights and in order to be as fair as possible to the interests of their fishermen we are prepared to allow them to continue to fish in those areas where they have operated until now, subject to agreed regulations for the protection of the fisheries concerned. We are endeavouring to obtain their acquiescence in our straight base lines and to the application of Canadian regulations in the waters affected by our action.

We hope that with the adoption of this legislation our negotiations will be substantially furthered. I am sure that the introduction of this bill, which provides for the establishment of a 12 mile fishing zone and which enables the government to establish a straight base line system, will be a material factor in the negotiations which are still under way. The differences which we must overcome do not affect large parts of our coastal limits where there should be no difficulty in achieving agreement on what we propose to do. I am hopeful that in the foreseeable future all difficulties will have been removed and that our long standing desire to protect our coastal waters will be realized. I believe this bill will commend itself to the house.

Hon. J. A. MacLean (Queens): It is a pleasure for me to take part in this debate on a most important subject which has been near to my heart for a number of years.

I wish at the outset to congratulate the Secretary of State for External Affairs (Mr. Martin) on the reasonable and generous attitude he has taken in the course of his remarks. But I regret that in this matter, which is one of national importance and is one with which I think all parties in this house agree in general terms the attitude now

shown by the minister has not been shown by spokesmen for the party of which he is a member in the heat of election campaigns. I regret very much the attitude that was taken on many occasions by speakers on behalf of the party now in power, during not only the last campaign but the last three or four campaigns. I suppose some of these people can be excused up to a point, because in most cases they were not people who were most familiar with the problems involved.

I feel this is a very important matter not only to Canada's fishermen but to Canada as a nation. It is a problem that we must try to solve with as much of a united front as we can present to other countries when negotiating with them for what we consider to be our rights. It is, of course, an important subject, chiefly because as the world population increases, the demand on the living resources of the sea increases at an even greater rate, with the result that many countries have greatly enlarged their fishing fleets and their fishing efforts over the last few years and larger and larger fleets are operating closer and closer to our coasts as time goes by.

This bill represents the Canadian reaction, as expressed by the present government, to this state of affairs. I do not propose to review the fact that discussions have been going on with regard to this subject for a number of years. The Secretary of State for External Affairs reviewed this situation very fairly, I think, and I believe it was a matter of great regret to all Canadians interested in this matter that the proposal put forward by Canada at the 1960 Geneva conference missed being accepted by only one vote. Indeed, up to the last moment it seemed that it would be accepted, but for some reason that has never been explained, at least one country—I think in fact there were two or three—abstained from voting. What their motives or considerations were, nobody knows; but at the very last moment the proposition was lost. I think this was a great loss to international law generally, and to a reasonable development of international law as far as the living resources of the sea are concerned. Following that failure to carry the Canadian six plus six proposal—that is, the familiar six miles territorial sea, plus six miles exclusive fishing zone—

Mr. Martin (Essex East): It was then a compromise formula.

Mr. MacLean (Queens): That is correct. Following the failure to carry that proposal, the Canadian government did not just sit on its hands, as I heard many speakers of the party of the Secretary of State for External Affairs state during the last election campaign—and I think very unfairly. I say this because I have great regard for the officials of the departments concerned, chiefly the Department of External Affairs and the Department of Fisheries, in this very difficult field. They worked hard and conscientiously, and so did the government of which I was a member; and I would doubt if as a result of the change of government there has been any appreciable change in the speed of the progress being made. I think it is fair to say that had the former government still been in power we would almost certainly be at least as far ahead as we are now—perhaps farther. I am willing to admit that the opposite could be the case. However, in both cases our objectives are the same; they are the objectives which, as the Secretary of State for External Affairs said, are expressed in a submission to the government by the fisheries council of Canada. I believe this submission is dated January, 1963. Actually the letter transmitting it to me was dated January 28.

Unfortunately the government of which I was a member was defeated in the house within a week of that date. I would just like to highlight that date, because it has been inadvertently published in the newspapers of Canada—due, I think, to a typographical error—that this submission was made in 1961. Everybody recognizes that it was actually made in 1963. I believe the fisheries council have done a great service to Canada by presenting this resolution, because by so doing they have tremendously strengthened the hand of any government in these negotiations. By making these recommendations they have at least in a measure taken, on behalf of the fishing industry of Canada, some of the responsibility for any reaction which might come from other countries as a result of our action in this field.

I hope there will be no detrimental reaction, but I think this is a possibility that we should not forget, that some countries that are friends of ours have very strong reasons for objecting to either an extension of the territorial sea or an extension of the exclusive fishing zone. Persons may be misled by the fact that these friends of ours joined with us as a compromise in the Geneva conference to support our resolution; but they joined with us only for the purpose of trying to bring order into the chaos of international

law in this field, and they reserved their position for the future. It did not follow that if the resolution did not carry, as was the case, they would still support the concept that this bill expresses, as a matter of fact. This is something that must be fully realized. As the Secretary of State for External Affairs rightly pointed out when quoting the statement of the Prime Minister of last June 4, the President of the United States stated specifically that they reserved their position on this matter. Any notion that, because the United States and some other countries supported the Canadian position in 1960, their position is still the same, is not valid. As far as any possible reaction arising out of this action on the part of the Canadian government is concerned, I think some people are lulled into a sense of false security by the statement that the United States has to buy our fish, the same as we have to sell it to them.

In this context, Mr. Speaker, I should like to remind hon. members that we export at least two thirds, in value, of our catch to the countries of the world, and a great percentage of that catch goes to the United States. I am not suggesting that the ministers responsible have this notion, but the United States have other places from which they can buy fish, if they so choose. If they had a long term contract with other countries, those other countries could even extend their fishing fleets for the very purpose of supplying the United States market, if that unfortunate situation should come about. All I am saying is that I hope there will be no reaction of this sort from any country which is affected by the action we are taking; but we must not fail to realize that this is a possibility which must be guarded against in our negotiations.

There are, as I have said, certain categories to the recommendations made by the fisheries council; and the minister has said that roughly this is what the bill is trying to achieve. However, I want to say categorically that the party for which I am speaking at the moment supports the objectives in mind—I want this to be perfectly clear—provided, of course, they can be achieved by negotiation without an overriding liability.

Mr. Martin (Essex East): That is precisely our position.

Mr. MacLean (Queens): I believe this has been the responsible position of the Liberal party for a number of years, although it is not, of course, my place to speak for them. For this reason I regret most strongly the statements which were made during the last election campaign. I had better not be specific because I am speaking from memory, but statements were made to the effect that if the present government came to power they would very quickly declare unilaterally an exclusive fishing zone up to 12 miles, regardless of what happens. Let the chips fall where they may; it was perfectly simple. They said that the reason this was not done sooner was because the government of the day was not acting rapidly and resolutely enough.

I have tried to be fair in this connection, Mr. Speaker, but that was a statement which was completely invalid and should never have been made. We now have the commitment made by the present government that within a very short time of their coming into office they would declare a 12 mile exclusive fishing zone. The Prime Minister (Mr. Pearson) on June 4 of last year made a statement in this regard on behalf of the government. He said that by the middle of May this year this legislation would be in effect and that this action would have been taken. I think that if one reads the fine print carefully he would discover that the Prime Minister may have created an escape hatch or two. The bravado-like statements made before the election have been soft pedalled a little and a note of caution introduced. Nevertheless the statement was made that a 12 mile exclusive fishing zone would be in effect by the middle of May 1964.

I think that if this bill were bringing this about we would have nearly reached that objective; but the trouble is that the fisheries council recommended that certain bodies of water, which the Secretary of State for External Affairs mentioned, should be proclaimed Canadian national waters, and with this I agree. The bodies of water which come to my mind are the gulf of St. Lawrence, the strait of Belle Isle, bay of Fundy, Hecate strait, Dixon entrance and Queen Charlotte sound.

Mr. Martin (Essex East): And Hudson bay.

Mr. MacLean (Queens): Yes, Hudson bay; but I believe Hudson bay is in a somewhat different position in that we have already declared it to be a national water. With this objective I concur, but I think the minister will agree with me that we have the power under the Coastal Fisheries Protection Act to take this action by order in council. I have no objection to restating the requirements in this bill especially if it will strengthen the hand of the government in its negotiations with other countries. I am perfectly willing

to support the bill on that basis. But I do not support the bill on the basis of trying to make a shadow look like a substance, and going through the legislative process at this time in order to make the Canadian people believe that more is being done at the moment than is actually being done. The speed with which our final objective, which we all share, will be achieved depends on the progress and the success of the negotiations, which the secretary of state rightly said are still in progress. And they are very difficult negotiations; I am the first to concede that point.

This particular part of the bill cannot be effective until the bill is proclaimed, and I note that nowhere in the bill is there reference to a date of proclamation. No part of the bill can come into effect until it is proclaimed an act. With regard to these national waters and the delineation of the geographic co-ordinates which will determine the base lines by which our territorial waters are to be measured, until these orders in council are passed—and the minister said that some of them may be passed by the end of this year—this bill can have no effect. As the secretary of state said, when the bill is proclaimed it will establish, in theory at least, an exclusive fishing zone beyond our territorial waters, which at the moment would be an exclusive fishing zone of nine miles beyond our present territorial waters.

This brings me to a very important point. At the 1958 law of the sea convention in Geneva several conventions were approved, I think four in all. One was a convention on the territorial sea and contiguous seas. Another was a convention on the high seas. However, these conventions become effective only when a certain number of countries ratify them; I believe 22 countries in the case of some of the conventions. I think I am up to date when I say that in no case have enough countries ratified any of these conventions—although one of them is very close to ratification—to make them effective. It is curious that the Secretary of State for External Affairs did not mention that Canada has not ratified any of these conventions. I would ask why this is, Mr. Speaker. I suspect the reason Canada has not ratified any of these conventions is because if we started to ratify one of them we would have to ratify them all.

Article 2 of the convention concerning the high seas says this:

> The high seas being open to all nations, no state may validly purport to subject any part of them to its sovereignty. Freedom of the high seas is exercised under the conditions laid down by these articles and by the other rules of international law. It comprises, *inter alia*, both for coastal and non-coastal states:
>
> (1) Freedom of navigation;
> (2) Freedom of fishing;

I need go no further than that.

This bill states in one breath that our territorial sea will extend to three miles from certain base lines, and then in the next it proceeds to enact legislation, to apply to the nationals of all countries, with regard to the next nine miles, which the bill itself admits is part of the high seas. If we can bring this off, Mr. Speaker, I am all for it, do not misunderstand me; but in this connection I believe we are on very shaky ground with regard to international law. As a matter of fact, the convention of 1958 agreed to at Geneva, though not ratified by us, specifically prohibits what we are about to do.

Mr. Martin (Essex East): I would hope that I did not understand my friend to say that the effort to establish straight base lines with regard to waters that we hope will be regarded as internal will put us in a position where we do not have a legal case.

Mr. MacLean (Queens): Oh, no.

Mr. Martin (Essex East): I am sure my hon. friend did not mean that and I would not want such words to be before us in the negotiations because I am sure he agrees with me that we have a good case.

Mr. MacLean (Queens): I agree fully and I contend we are completely justified in stating that these bodies of water I have mentioned, and perhaps more, are national waters and belong to Canada. I think we are on fairly good legal ground as far as international law is concerned up to this point and also with regard to the establishment of the straight base line method. There are certain precedents for this and there is the moral suasion of certain events that have happened in the past plus references to the court of international justice, and matters of this sort that add strength to our claim in this regard.

I agree 100 per cent with the minister on this point, but I go on to say that when we proceed in the bill to establish an exclusive fishing zone beyond our territorial sea we are on shakier ground. I hope that will succeed too but I would foresee that when we pass this legislation almost certainly it will be tested. It will not be done right away, but when the act is proclaimed and the nine mile exclusive zone will be in effect adjacent to our present territorial waters—

Mr. Martin (Essex East): From the present base line.

Mr. MacLean (Queens): From the present base line—I would predict that, unless we can arrive at unanimity in the negotiations, the legislation will be tested in the courts. I believe we would be on much sounder ground as far as international law is concerned if we had proclaimed 12 miles of territorial sea instead of three miles of territorial sea and nine miles of exclusive fishing zone. There is the difficulty there, of course, of which I am fully aware, that we would be running head on into the objections of our most important friends on this point, and that is not a practical posture to take in the matter.

There is another important point I want to reiterate. A great deal of attention has been paid to this legislation and to this whole concept, and it has always been referred to as the exclusive 12 mile fishing zone, the 12 mile limit. The motion has grown up that the exclusive fishing zone is a more important aspect of the matter than the declaration that these bodies of water are to be national waters. I believe that the most important thing is the clear establishment that these large areas, like the gulf of St. Lawrence, are national waters. I believe that the second most important thing as far as our fishing industry is concerned is to establish straight base lines. I believe that the third most important thing is the width of the exclusive fishing zone. However, if we achieve the first two, much of what is required will be achieved by that fact alone and the actual width of the exclusive fishing zone will not be of such great importance. It will be of very great importance in some areas, however, especially so far as our inshore fishermen are concerned because then their fixed gear will not be torn up and destroyed by foreign trawlers, and so on.

It will also have fairly important conservation benefits as far as some species of fish are concerned, such as lobster, shellfish and other estuarial fish. However, as far as the problem of the conservation of the living resources of the whole ocean is concerned, the width of the exclusive fishing zone has very little effect. It has some effect but it is only a very small percentage compared to the whole and it will not begin to solve the great problems that face us in this modern world with regard to arriving at agreed upon methods whereby we can conserve the living resources of the sea for the good of all mankind and arrive at a method by which they can be exploited fairly by the countries concerned.

As far as this legislation is concerned, it will be of no benefit in preserving our salmon resources on the west coast. It will have virtually no effect in that regard because this species of fish migrates for hundreds of miles out into the ocean and can be caught on the high seas, regardless of how wide we make our exclusive fishing zone, by the nationals of other countries, unless we can continue to broaden the areas of treaties for the purpose of conserving intelligently these important fishing resources.

I see that it is five o'clock, Mr. Speaker. I am just about finished but I may have two or three thoughts that have escaped me at the moment, so I should like to take this opportunity to adjourn the debate.

The Acting Speaker (Mr. Batten): 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.

CANADIAN CONSTITUTION

COMMITTEE TO CONSIDER DIVISION OF LEGISLATIVE FUNCTIONS

On the order:

Notices of motions—Mr. Asselin (Notre Dame de Grâce):

That a special committee be appointed to consider matters relating to the constitutional structure of Canada, desirable changes thereto and in particular, without limiting the generality of the foregoing, the proper division of legislative functions between levels of government; that the committee have power to send for persons and papers; that it report from time to time its findings and recommendations to the house; that standing order No. 67 be suspended in relation to the committee; and that it consist of 24 members to be designated at a later date.

Mr. MacNaught: Mr. Speaker, I suggest that, with unanimous consent of the house, this motion stand.

The Acting Speaker (Mr. Batten): In order for this motion to be retained on the order paper there will need to be unanimous consent. Does the house give unanimous consent for this motion to stand?

Some hon. Members: Agreed.

Motion stands.

INCOME TAX ACT

SUGGESTED DEDUCTIONS OF CONTRIBUTIONS TO POLITICAL PARTIES

Mr. J. E. Lloyd (Halifax) moved:

That, in the opinion of this house, the government should consider the advisability of amending the Income Tax Act to permit taxpayers to deduct from taxable income contributions to registered national political parties, providing such deductions do not exceed a stated maximum percentage of taxable income.

He said: Mr. Speaker, if the principle of this resolution were adopted a Canadian taxpayer in essence could divert a limited amount of his income to a political party, an amount that would otherwise be paid out as income taxes. Several considerations prompted me to move this resolution. They arise mainly from the fact that the role of government, in ordering the economic affairs of our nation, has evolved to a greater degree of responsibility than ever before in our history. Evidence of that fact is apparent when we reflect upon the impact on our economy of new policies that could flow from the GATT conferences. We have found it necessary to establish an economic council to advise government on the state of the nation's economic health and the measures to improve it.

The unique division of powers under our federal constitution has brought the provincial governments into the field of economic planning within their provincial boundaries. Their provincial objectives must be co-ordinated with our national objectives. Canada recently found it necessary to stabilize the Canadian dollar, to peg it at a value of 92½ cents, with the financial assistance of the international monetary fund. That decision brought advantages to some sectors of our economy, and disadvantages to others.

The affluence of the Canadian economy, or otherwise, depends upon the volume of our exports to other nations of the world. All of them are dedicated to employ the powers of government to attain full employment for their people. They are bound to introduce economic policies that will require counter measures, as well as co-operative efforts on the part of our national government, that could involve loss of opportunity for some existing industries in Canada, and gains for others.

It is the government of Canada and parliament that have to make the hard decisions in the light of international developments, as they transpire, with due regard to the overall benefit to Canada as a whole. The challenging responsibilities of governments in the economic field in the world today and tomorrow must be discharged by the men and women elected to parliament and to the legislatures.

To ensure that parliament shall discharge its duties with a maximum of democratic objectivity, fairness and justice, we maintain the party system of nominating and electing its members. That process calls for a continuous flow of funds to party treasuries, not only for election campaigns but also to maintain party responsibilities between elections.

If Canadians are not encouraged to make contributions to political parties, with a high sense of service as democratic citizens, we encourage undemocratic influences upon those elected to office. In April, 1962, a commission appointed by the late President Kennedy submitted to the United States congress a report of its inquiry into the matter of presidential and vice presidential campaign costs. I quote from that report:

> Given the erratic flow of funds and the periodic crises in campaign finance, individuals and organizations providing substantial gifts at critical moments can threaten to place a candidate in moral hock. In consequence, a disturbing and fundamental failure of present practices is the widespread cynicism about the democratic system they produce.
>
> The heavy dependence of political parties in presidential campaigns upon substantial gifts from and expenditures by a relatively small number of individuals and organizations lends itself to widespread misinterpretation. While the great majority of such contributors to presidential campaigns is not motivated by expectation of specific preferment, none the less, for the vitality and acceptance of the democratic system, we hope to see a significant increase in the number of contributors, both to spread the cost of campaigns and to diffuse more widely through the population the sense and the reality of participation in the politics of democracy.

The United States commission of 1962, among other recommendations, proposed that one half of the contributions by individuals to a maximum of $10 per year be deductible from annual income taxes or, in the alternative, that they be permitted to deduct up to a maximum of $1,000 per annum from taxable income.

It is feared by many with a practical knowledge of our political system that efforts to have governments subsidize the cost of elections could lead to a weakening of the democratic process. While measures can be adopted to reduce election campaign costs, they will not eliminate the need for a substantial volume of voluntary contributions.

It is the present practice, under the Income Tax Act, to disallow contributions to political parties. Many corporations contribute, as well as individuals. Looking for a moment at the corporations, while such outlays are included among operation expense, in reports to shareholders they are added back to income, for income tax calculations. It is a fact, Mr. Speaker, that such contributions are disbursed in the form of cash payments. This poses a problem for both shareholders and auditors as well as the income tax auditors. They must satisfy themselves that the payments were in fact made for the alleged purposes.

The procedure of verification is usually confined to questioning the responsible officers of the corporation. Third party verification is not customarily employed. This opens the door to diversion of corporate funds to personal use under the guise of an alleged party contribution. In this manner income taxes are avoided on what would otherwise be dividends taxable in the hands of a shareholder.

This difficulty confronting auditors could be overcome by requiring corporations, as well as other taxpayers, to make these payments to political parties registered for that purpose with the income tax department. The use of cheques, with the proceeds payable to a political party, and the use of receipts would do much to alleviate the difficulty of auditors in this field, and then the secrecy clauses of the Income Tax Act should be sufficient protection for those who desire no publicity.

It is my opinion that large, single contributions are not as prevalent in Canada as in some other countries. I have in mind particularly the United States. Large corporations and wealthy individuals seeking favourable measures from the government can employ other methods to influence decisions. They engage professional lobbyists; they work through trade organizations, and organize publicity campaigns to achieve their objectives.

It is my conviction, Mr. Speaker, that we should adopt policies and practices that make contributions to political parties and election campaigns a wholesome, healthy and desirable thing for Canadians to undertake. We should encourage that effort by Canadians as an honourable service to their country. By adopting a measure such as I propose we place the stamp of approval on political contributions, and I believe it would broaden the base of contributions from many Canadians. Furthermore, I believe it would go a long way towards ensuring government of the people, by the people, for the people.

Mr. MacInnis: Would the hon. member permit a question? He referred to the recent devaluation of the dollar as bringing advantages to some segments of our economy and disadvantages to others. Would he not agree that the advantages far exceeded the disadvantages he spoke of?

Mr. Lloyd: Mr. Speaker, I think this would require some time to answer. For example, one would have to examine the cost to municipal governments of borrowing. Many of them did borrow in the United States and had obligations in the United States. One would have to go through all the measures, but I think perhaps one will agree that the devaluation, on balance, was a good thing. However, the regrettable thing about it was that the awareness of the proper management of foreign exchange rates should have occurred to the Canadian government at a much earlier date than it did.

Mr. Barry Mather (New Westminster): Mr. Speaker, I would like to say a few brief words in support of the general principle of the proposal before the house, that is, to make donations to political parties for campaign funds deductible from income tax.

I have two reasons for being brief. First, the idea is so commendable it is easy to understand that no argument in support of it is needed. Second, I would like to see it come to a vote. The proposal to allow income tax deductions for political donations is good both in theory and in practice. We allow union dues and donations to many cultural, health and religious organizations to be deductible from income tax. Why not political donations also? It seems to me in both cases the donor gives his or her money to causes in which he or she believes.

As to the practical aspect of making donations and allowing deductions, I think most of us would agree that the time is overdue for some reform to be made in our campaign fund structures and procedures. This measure, if adopted, would, I believe, amount to a modest step in the right direction. Speaking personally—and I think members of my party would agree—I would not like to see the multi-thousand dollar donations which have been given in the past to some parties made deductible for income tax purposes. I would consider them to be rather in the nature of business transactions. However, there are thousands of people in this country who give regularly to political parties out of their personal purses—and, sometimes, the purses involved are meagre. They give in the belief that the philosophy of their chosen party is such that its application would make for a better way of life for the people of Canada. This type of donation is, I believe, made in very much the same spirit as are donations to churches.

I commend the hon. member for having brought this interesting proposition to the attention of the house, and in case the measure is talked out—perhaps by the hon. member's own colleagues—I should like to put

myself on record as saying: Had I voted I would have voted in favour of this proposition.

[*Translation*]

Mr. Guy Marcoux (Quebec-Montmorency): Mr. Speaker, I wish to speak briefly about the motion moved by the hon. member for Halifax (Mr. Lloyd). In principle, I fully agree with the hon. member when he advocates that contributions made by voters to a political party be allowed as income tax deductions by the Minister of National Revenue.

Even if I agree with the principle of the motion, I will not go as far as recognizing that all the reasons he put forward to support his motion are justified. As a matter of fact, when he says that it will facilitate the workings of democracy, I feel that he is deceiving himself a little.

Of course, there would be some advantages if contributions to party funds were disclosed. I would not say this information should necessarily be made available to the general public, but at least the officials of the taxation division should be able to see that contributions have been made to the election fund of some political parties. I do not wish to question the honesty of civil servants, but I simply wish to point out that these figures are available to them, even if they remain confidential; it would be an advantage, since we do not enjoy that privilege at the present time.

In short, this means that contributions would be aboveboard instead of being surreptitious as at present. That is a good beginning, especially if one considers that the government is responsible for so much hypocrisy on the part of taxpayers. Besides, this would enable certain taxpayers to contribute to party funds without immediately becoming hypocrites, since they could declare their contributions to fiscal authorities.

The hon. member for Halifax (Mr. Lloyd) said that corporations unwilling to resort to publicity would not have to do so. That is obvious. As a matter of fact, as I said earlier, if those companies deduct their contributions from their income tax, only certain officials—and the minister, if he is curious enough—would know what big companies have contributed to the election funds of certain political parties.

In spite of all that, it must be recognized that, at the present time, big companies give money to political parties, do not claim it on their income tax returns and do not seem any the worse for it. As a matter of fact, it seems that those companies use money which has not been declared for income tax purposes; therefore, they can give it away very easily, not by cheque but in cash; that is being done at the present time and companies do not seem to complain.

Of course, as pointed out by the hon. member, those companies must enter those amounts under operating costs. They are lucky to be able to add the money they give to political parties to their operating costs.

Of course, ordinary citizens who have contributed to the campaign fund of our party, for instance, and who have given not exactly everything they had but who nevertheless have made enormous sacrifices to support their political party, would benefit from this measure, since they are even denied the right to deduct in their income tax return the purchase price of their working tools and also the actual amount of their charitable donations, as certified by the receipts filed.

The hon. member is in favour of allowing at least a deduction concerning contributions to political parties; that would already be something. Personally, as I said a moment ago, I am entirely in favour of that principle.

I repeat though that we should not expect such a step to improve the functioning of democracy. If we did, we would be deceiving ourselves, because even if all the taxpayers' contributions were accepted, that would represent only a very small fraction of the money spent by the various parties on their election campaigns. That would not take into account either the money paid to election funds by foreign governments and companies. Indeed, it is always difficult to prove such things, but it was rumoured that during the last election campaign, our southern neighbours contributed to the fund of certain political parties, without the Canadian people even hearing about it.

As I say, even if the principle of the motion introduced by the hon. member for Halifax (Mr. Lloyd) were adopted—it provides for the publication of certain figures—we would still be in the dark as to the money supplied by foreign companies and individuals.

The hon. member also stated that such contributions would have to be made to registered political parties. I wonder how one goes about to define a registered political party. The privileges and elections committee was asked to consider the advisability of accepting a new political party; it took a decision concerning the specific case, but it did not establish a general policy nor did it define what a political party is. It did not say

what would happen if two registered parties had the same platform. If one translates accurately the word used by the hon. member, one wonders where it can be registered. We know that professional organizations with registered members, such as the medical college, for instance, or the bar, have lists of their registered members, but at the political party level, I have never heard of anything of the sort.

We know that there is a general agreement on the existence of recognized political parties, but there is no legal document which actually gives a definition of a political party. Lately, I put a bill to that effect on the order paper and I hope that some day we shall have the opportunity to pass it. Until then, I do not see what criteria would indicate that a political party is considered as registered.

On the other hand, the hon. member referred to a national party. Here again, what really constitutes a national party should be defined. Is it a party which presents candidates in all the provinces? Is it a party which presents candidates in a determined number of constituencies, as I advocated in the bill I submitted?

I wonder, in view of the good intentions of the hon. member, if it would not be proper to include also provincial and municipal political parties which are also in existence so as to permit the people to act in a true democratic way?

If a national political party, such as the one in which the hon. member is active, is recognized, and if his own voters are allowed to deduct certain sums for income tax purposes, I do not see why the voters of his colleague, living in the same area and running as provincial candidate, could not enjoy the same advantages.

I am merely expressing opinions to that effect, with no intention of insinuating anything about the motives which prompted the hon. member to put forward his notice of motion.

In closing, Mr. Speaker, I would say that passing such a motion would in no way solve the problem of political corruption. All the means now being used to corrupt the voters in some way or other, by offering them sums of money, through false publicity, false information, false impressions, will still be used, even if people who contribute to election funds to make such practices possible can deduct from their income the amount of their contributions. The problem of political corruption at election time will

therefore not be settled, and I think that we should go much further in the reform of our election practices, before reading this point.

Neither does this necessarily imply that only the stated sums were paid. An individual may declare an authorized sum and deduct it from his profits, but this does not mean that he did not pay additional amounts to finance political parties. Once again, we are going to put the taxpayer in a situation where he necessarily resorts to the very hypocrisy this motion obviously wants to eliminate, but which will be allowed because of the certain loop holes.

Yet, we should be very happy to see that this legislation gives some consideration to the average voter, and perhaps only to the average voter, who labours hard every day to earn his living, and is affected in every income tax field, or the man whose taxes are deducted at the source by the employer, for the benefit of the federal government, or the one who must fight the government to prove that he is being made to pay too much at the source and, as I said, more particularly the taxpayer who is even refused a reimbursement for the implements he had to buy himself to earn his living and, finally, the one whose receipts for charitable donations are disregarded.

Mr. Speaker, as I said earlier, I am, in principle, in favour of the motion before us. If a vote is taken, I shall vote in favour, and if no vote is taken, I would have supported it. Yet, I think that between the motion presented by the hon. member and the bill which will be submitted later, there should be many amendments, and when the motion comes back as a bill, we will have to oppose it if the amendments we mentioned are not incorporated therein.

Mr. C. A. Gauthier (Roberval): Mr. Speaker, I should like to say that I support, in principle, this motion because, as the hon. member for Quebec-Montmorency (Mr. Marcoux) said, it is the beginning of an undertaking intended to give us more honest elections throughout Canada.

Political parties have always had three sources of supply:

1. A foreign source;

2. A source provided by large corporations, foreign as well as local;

3. Small subscribers, individuals.

I do not think that first aim of the mover is to safeguard or protect more particularly the money subscribed to the election funds from outside. I think he was rather thinking

of the amounts obtained at home, from large corporations or financial interests, because as regards the money which increasingly comes to us, as indicated by the hon. member for Quebec-Montmorency (Mr. Marcoux) a short while ago, from our neighbour country to support the election of a certain political party, I consider that givers of those sums are rewarded long before they put even one cent into the electoral fund of that party.

We have to suffer the consequences because today, we are the victims of those who sold out our economy. We are now faced with that problem, while their only aim was to come into power. Now, we have to look after the administration.

That is why I maintain that this motion should not deal with tangible contributions from abroad made to certain political parties. One can also be interested in contributions from large corporations, but I think that these big corporations have their reward, even if they did not get it before foreign countries got it by way of protection and promises made to them before they invest thousands of dollars in certain party funds.

That is why we, Social Crediters, maintain that those who were elected with the assistance of such party funds are simply the servants of those who invested in these funds, that is the servants of those big corporations or of those foreign countries.

I feel that this motion contains nevertheless a factor of interest to us. It would also serve to protect the small taxpayer who contributes a few dollars to the election fund of parties with real popular appeal. I say "parties with real popular appeal" because I believe that there are parties today which can call themselves democratic, the others being financial parties. Parties with real popular appeal are not dictatorial parties.

I think that this motion is useful in that it will prompt people to make more sacrifices in order to contribute to the funds of small popular parties, as they are called. I hope that in the near future, those parties will teach a lesson to those big financial parties, so that the people will finally see parliament pass measures beneficial to them and not good only for international financial interests.

I believe that the purpose of this motion might contribute to free the people, something we have been fighting for these last 20 years. To that end, it would be necessary to make a few changes in that motion, by including, for instance, a substantial amendment which would ensure that the tax reduction would benefit mainly the small taxpayer. This way, to start with we could determine the amounts. If ever, as a result of this motion, a bill were presented, it should set the maximum, so that the large companies, as I said earlier, could not benefit by this advantage to cheat the taxpayer even more.

If ever this parliament, following this motion, introduced legislation, it should protect directly all the people of Canada.

The contribution should be established and a receipt issued by the political organization. I do not say by the political party, because here we play so much on the words "political party" that one wonders finally what a political party really is, but a political organization, whether a school, municipal, provincial or federal organization. If someone works toward the election of a man who will work for the good of society, who will join a popular organization to work, not to protect the interests of big companies, but to protect the interests of the citizens, then that citizen is entitled to a receipt, because if we proceed without a receipt, it is useless to talk about a deduction for income tax purposes.

Such a receipt would have a double effect: it would favour the individual who sacrifices what little money he has to put his and his nation's ideas forward, for the protection of society as a whole; furthermore, the practice of issuing a receipt would control certain election funds.

I think that today the control of election funds is becoming more and more imperative, in view of the rise of totalitarian capitalism. I believe that if, tomorrow, we do not take steps to control the election funds of the larger parties, the people will be voting for nothing, because casting a vote will have no meaning in a few years if monetary influence of totalitarian capitalism spreads to the buying of conscience, the buying of election boxes and all the dirty doings which we know occur during an election.

I feel that such a control of campaign funds will become necessary in a few years.

The giving of receipts would be a first move in that direction. To support my point, I should like to say to the house that, in our own ridings, which are not worse than any others, election campaigns cost from $2,000 to $2,500 whereas it is reported that from $60,000 to $65,000 are considered peanuts in other ridings, as far as an election is concerned.

I can assure you that we find that most strange. People ask: "Where can all that

money go, considering that parliament is afraid to spend $10 or $100 more than the amount authorized by the budget?" Yet, when it comes to an election campaign in a riding, $50,000, $60,000 or $70,000 are nothing but peanuts.

Consequently, I submit that the control of campaign funds is urgently required.

Besides the giving out of a receipt to every taxpayer who has contributed to election funds, I feel—and I am willing to introduce an amendment to the motion in that respect—that any money paid out by foreigners for an election campaign in Canada—in some cases it constitutes the whole campaign fund—should be taxed so that, before the election, Canada may at least derive some advantage from such taxes on foreign contributions since, after the election, it is those same countries which will reap the advantages.

Those are the few ideas I wished to express on this motion. I hope parliament will make further investigations possible in that field, so that elections may be cleaned up and controlled to a greater extent throughout Canada.

As I said a few months ago, if, after this check on campaign funds, we get the identity card to prevent people from voting five, six, seven, eight and ten times, we shall have made some contribution towards cleaning up the election procedure and we shall then give the country a government of the people, for the people and elected by the people.

[*Text*]

Mr. M. L. Klein (Cartier): Mr. Speaker, usually I find myself in agreement with my seatmate, the hon. member for Halifax (Mr. Lloyd), but on this issue I am beginning to see eye to eye more and more on less and less. I am opposed to this resolution because I believe it would place in the hands of our taxpayers in the upper income brackets a tremendous power. I do not believe that the deduction of a contribution of $5 for income tax purposes has any meaning; but it does begin to have meaning when tax deductions include large amounts. I would fear that this system would reintroduce the system of patricians and plebeians.

The only taxpayers who I believe would take advantage of this deduction would probably be those earning in excess of $15,000; because those who earn less than that amount are probably on a budget and cannot afford to make a contribution of any sizeable amount to assist political campaigns. This would make political parties completely dependant upon the people in the upper income brackets.

[Mr. Gauthier.]

According to the report of the chief electoral officer on the 26th general election there were a shade under 10 million registered voters in Canada. According to the 1963 taxation statistics there are some 4,500,000 taxpayers in Canada. Of this number approximately 22 per cent pay tax on incomes of $15,000 and over, and simple arithmetic shows that less than 10 per cent of the voting population of this country would be the main contributors to election funds. If this were the case it would mean that political parties would be conscious of their electoral responsibilities vis-à-vis the 10 per cent who were supplying all the money. It would also mean that persons in the upper income brackets would be able to make contributions to political parties in off election years; and in certain instances people in the higher income brackets, in order to become taxable in a lower bracket, would make contributions to political parties even in off election years.

In my view the government should provide election funds for political parties. Some equitable basis should be provided whereby the government would supply the money to political parties in election campaigns. We should also study means to try and reduce the cost of election campaigns, which is mounting every year. In studying means to make elections cheaper instead of more expensive, we should consider bringing the voter to the polls. This is one of the reasons elections are so costly. Candidates have to rent cars or ask their contributors to supply the money to rent them for this purpose. If when he cast his vote the voter were supplied with a certificate by the returning officer which could be attached to his income tax return, thus giving him a credit, whether it be for $2 or $5, and thus reducing his tax liability, this would encourage him to go to the poll and vote.

Mr. Pigeon: A very good idea.

Mr. Klein: You like it?

Mr. Pigeon: Sure.

Mr. Klein: I think we have only to look at our neighbour to the south to see how much money is being spent for election purposes. Take the primaries which are now going on. Candidates are now spending thousands of dollars on delegates for conventions so that these delegates will commit themselves either to this or that candidate for the presidency of the United States. Radio and television costs are going up. If the government were to allot radio and television time to political parties free of charge, or if they were to pay

for this time, and each candidate were entitled to two mailings and a specified number of radio and television appearances, there would be equality for all candidates in elections in Canada. This is the view I put forward.

I am strenuously opposed to this resolution. I think it is a wrong step in the wrong direction, and I do not think it would redound to the credit of Canada.

Mr. Lloyd: Mr. Speaker, on a point of order, when my hon. friend drew his conclusions I wonder whether he would tell us whether he read the motion. It says—

The Acting Speaker (Mr. Batten): Order.

Mr. Lloyd: Mr. Speaker, I think the hon. member has completely misconstrued my remarks. As a matter of fact, he was making an argument in support of them.

The Acting Speaker (Mr. Batten): Order, please. When the debate on this matter is concluded I think the hon. member will have his opportunity to reply. If he wishes to reply at that time he may make any remarks he likes.

[*Translation*]

Mr. L. J. Pigeon (Joliette-L'Assomption-Montcalm): Mr. Speaker, I think it is abnormal for any political party to have to spend considerable sums of money during an election. There should definitely be certain limits set to stop much extravagant spending. We, on this side of the house, are well aware of the fact as, during the last election, we actually suffered much from that extravagant spending, from those large sums of money spent all over Canada, including money from the United States. Consequently, I think that the government should take a stand in this respect, in order that we may have truly democratic elections, and that money be not an item influencing the popular vote. Indeed, the people should be free to vote according to their conscience, and that is why I believe in the necessity of enacting significant reforms at the earliest possible opportunity. I know that the government may refuse to take such action, because it probably feels guilty about the action it took during the last election.

When we consider the attitude of certain political organizers, like Mr. Keith Davey, for instance, who held out the considerable advantages of an election fund and what have you, we cannot but deplore the fact that there should be, in our democratic system, a party with so much power, with so much money that democracy is affected. For this reason, I believe that the government should take action to stop certain political organizers from resorting to blackmail and influencing Canadian public opinion with money, as we were able to see during the last election.

Mr. Speaker, it is abnormal for money to come even from the United States, because when they elect a government of their choice, the Americans are able, afterwards, to try and control the Canadian economy, and I feel that it would be in the public interest that legislation be introduced as soon as possible, so that money will not be a cause of influence during election campaigns, that we may have really democratic elections, and that the people may judge candidates on their value, according to the platform of their party, and that they may not be influenced by the money which is distributed generously, as happened during the last election campaign.

Mr. M. J. Moreau (York-Scarborough): Mr. Speaker, would the hon. member allow me a question?

Mr. Pigeon: Yes, Mr. Speaker.

Mr. Moreau: Can the hon. member tell us why he did not introduce this reform when his party was in office?

Mr. Pigeon: Mr. Speaker, we did not make that reform because we did not have the money to do it. We had no money at all during the election campaign.

Some hon. Members: Oh, oh.

Mr. Pigeon: Mr. Speaker, one has only to check the number of hours that this government used on television, throughout the country, over the national television networks, and one will see that it cost the Liberal government at least three quarters of a million dollars, and that only for one television station.

[*Text*]

The Acting Speaker (Mr. Batten): Order. I think the debate is now going beyond the bounds of the resolution before the house.

Mr. Grant Deachman (Vancouver Quadra): Mr. Speaker, in entering this debate may I say I cannot find myself exactly in agreement with the mover of the motion, and I join with another hon. member on this side of the house who did not express entirely the same views as those put forward by the mover of the motion. I consider that quite a few of the objections raised were valid. Today gifts for charitable purposes are deductible under the Income Tax Act. When we

consider what is a gift to charity we mean a gift for religious purposes, a gift for the relief of the poor or the sick, donations for educational purposes, recreation and the arts. Over the years the list of such organizations has gradually been enlarged to include various other community projects. Such classes of expenditures are today considered deductible from taxable income whether for purposes of personal income tax or corporate income tax.

But it has never been considered that gifts to political organizations should be made deductible, because if those organizations are elected to office they have the power of changing the laws of the country, regulating the taxes and affecting to a great extent federal, provincial and municipal budgets. It is for this reason that those who have the responsibility for introducing tax laws have stayed away particularly from enlarging the field of deductibility to include contributions to political parties.

Deductibility in such a case would not really accomplish many of the things at the outset which we think it would, and the hon. member for Cartier (Mr. Klein) has referred to a number of these. There is the fact that those in the lower income brackets, who are now allowed a deduction of $100 to cover their donations generally, would not be particularly affected by this measure, while those who have much larger incomes from which to make donations for charitable purposes would have much more to give toward the support of political parties.

Let us take the case of a corporation with $1 million of taxable income, and let us say that this corporation is in the habit of giving away 2 per cent or 2½ per cent of its taxable income. This represents $20,000 to $25,000 a year that it has available for charitable donations. If that company wanted to make political donations of, say, a quarter or a third of the money it had set aside for charitable purposes, that would amount to from $5,000 to $10,000 for a company with an income of $1 million a year, and like amounts from other such companies of reasonable size in many towns and communities in Canada.

The interesting feature is that such a company would say: If we must obtain the customary receipts for charitable purposes and attach them to our income tax statements, then the result will be that this information will become the property of the federal income tax office, and I think this would cause such a company to pause and consider the matter before making such donations. There is also the point, as hon. members know, that many companies are accustomed to giving to more than one political party in the realization that in a democracy the sides may change. Over the years some companies have been accustomed to giving on a 60-40 scale, 60 per cent to the party in power or the party they prefer to see elected and 40 per cent to the other party which they feel may to some extent represent some of their views but which they place as their second choice. Indeed, I have heard it said that some companies even give to three parties. If such funds could be made available for political purposes their division in this way would certainly go out the window, once these donations became deductible for charitable purposes, because I doubt very much that any corporation would wish to find itself in the position of declaring charitable receipts for two or three political parties.

The hon. member for Joliette-L'Assomption-Montcalm (Mr. Pigeon) was complaining only a moment ago that while they have not been in office they have found it extremely difficult to find funds.

Mr. Pigeon: We are honest.

Mr. Deachman: I suggest to him that if such donations were allowed as a deduction for charitable purposes they would find it even more difficult, because those who have been in the habit of dividing their contributions among two or three parties would no longer consider doing so.

These are some of the reasons why this measure would not work in the way the mover of the motion thought it would. There is another factor of interest and I should like to close on this note. What we seek, so far as contributions to political parties is concerned, is to broaden the base and enlarge the number of people who make such contributions, rather than to narrow it. Any system which tends to narrow the base and restrict contributions to larger and larger sums from fewer and fewer people and corporations is not entirely in the best interests of the parties concerned, or of the people of Canada.

Some hon. Members: Six o'clock.

The Acting Speaker (Mr. Batten): Order. The hour for the consideration of private members' business has expired.

Mr. Scott: On a point of order, Mr. Speaker, I think the record should show that the Liberals are filibustering once again and preventing votes on these private members' matters.

BUSINESS OF THE HOUSE

Mr. Churchill: Mr. Speaker, I should like to ask the acting house leader for the order of business for tomorrow. We know the business for Friday and next Monday and Tuesday. If he mentions interim supply would he indicate the period of time for which interim supply is being asked?

Mr. MacNaught: Tomorrow, Mr. Speaker, the first item of business will be the consideration of interim supply for one month.

Then we will go on with the second reading of the bill to amend the Bank Act and the Quebec Savings Banks Act. Then we will resume debate on second reading of Bill No. S-17, respecting the territorial sea and fishing zones of Canada. If there is any time left we will consider the resolutions preceding the Export Credits Insurance Act and the Farm Credit Act.

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

HOUSE OF COMMONS

Thursday, May 21, 1964

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:

Government House, Ottawa,
May 21, 1964

Sir:

I have the honour to inform you that the Honourable Robert Taschereau, P.C., Chief Justice of Canada, acting as Deputy of His Excellency the Governor General, will proceed to the Senate chamber on Thursday, May 21, at 5.45 p.m., for the purpose of giving the royal assent to certain bills.

I have the honour to be,
sir,
Your obedient servant,

A. G. Cherrier
Assistant Secretary to the Governor General.

PRIVILEGE

MR. MACINNIS—CARTOON APPEARING IN OTTAWA "CITIZEN" OF MAY 20

Mr. Donald MacInnis (Cape Breton South): Mr. Speaker, I rise on a question of privilege affecting many hon. members of this house and members of the Royal Canadian Legion and their families. My question of privilege is based on a cartoon appearing in the Ottawa *Citizen* of Wednesday, May 20. This is an example of yellow journalism, holding up to ridicule and contempt the image of all veterans throughout this country, with one exception. I and the members of my party deplore this malicious attack on the veterans.

Some hon. Members: Hear, hear.

PROCEDURE

CONCURRENCE IN FIFTH REPORT OF SPECIAL COMMITTEE

Mr. Speaker: The hon. member for Winnipeg North Centre (Mr. Knowles), seconded by the hon. member for Parry Sound-Muskoka (Mr. Aiken) moves that the fifth report of the special committee on procedure and organization, presented on May 19, 1964, be now concurred in.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, I should like first of all to thank the hon. member for Parry Sound-Muskoka for seconding this motion. The fifth report, concurrence in which we now ask, consists of only one sentence; therefore perhaps I might read it:

Your committee recommends that the provisional standing orders and recommendations contained in your committee's second report, concurred in by the house on April 20, 1964, which are now in effect until the end of May, be continued in effect until the end of the present session, unless it is otherwise ordered by the house.

The provisional standing orders and recommendations referred to in the second report are those under which we are now operating with respect to questions prior to the calling of the orders of the day, debate on adjournment motions three nights a week, and the handling of notices of motions for the production of papers. Under the decision of the house taken on April 20, 1964, these are in effect until the end of this month. It is the feeling of your committee, Mr. Speaker, that the house would like to continue the trial period for these standing orders and recommendations until the end of the present session, and if this report is concurred in, that will be the effect.

Mr. G. H. Aiken (Parry Sound-Muskoka): Mr. Speaker, I think it is significant that this motion is moved and seconded by members of the opposition, indicating at least our very sincere efforts to see that something effective is done to restore the prestige and effectiveness of parliament and to repair damage previously done. In addition, Mr. Speaker, I do believe that having new rules themselves is not sufficient, and that in addition to following them we must give effect to the spirit of the rules already in existence. It has been indicated so far this session that we do intend to do our best to carry out the intent of the rules and perform the business of parliament.

Motion agreed to.

BRIDGES

AUTHORIZATION OF CONSTRUCTION BETWEEN STE FOY AND ST. NICOLAS, QUEBEC

Hon. J. P. Deschatelets (Minister of Public Works) moved the first reading of Bill No. S-21 (from the Senate), to authorize the construction and maintenance of a bridge across the St. Lawrence river between the city of Ste

Foy, in the county of Quebec and the municipality of St. Nicolas, in the county of Levis, both in the province of Quebec.

Motion agreed to and bill read the first time.

CANADIAN FLAG

REPORTED ACCEPTANCE OF DESIGN BY CABINET

On the orders of the day:

Right Hon. J. G. Diefenbaker (Leader of the Opposition): Mr. Speaker, I should like to ask the Prime Minister whether there is any basis in fact to the press report that the personal flag to which he has given his support has now been accepted by the cabinet.

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, there is no basis for any statement that any personal flag of anybody's has been accepted. There is basis for the statement that the cabinet decided this morning on a design, which it will shortly submit to parliament in the form of a resolution.

Mr. Aiken: A supplementary question—

Mr. Diefenbaker: I would be glad if the hon. gentleman asked his question, but first of all I should like to know if the Prime Minister will tell us whether this is the flag he exhibited to a group of newsmen last Thursday night at his home, and did he at that time say "This is my personal choice as a flag design"? Did he also say that he had sent a telegram to the Queen informing her that the red ensign would not be the Canadian flag?

Mr. Pearson: No, Mr. Speaker.

Some hon. Members: Oh, oh.

Mr. Diefenbaker: Mr. Speaker, some of those who are laughing at the moment are not laughing inwardly. May I ask the Prime Minister this. Did he on Thursday night meet at his home with a select group of six members of the press gallery, show them a model flag, and state that this was his personal choice?

Mr. Pearson: Mr. Speaker, I did meet with certain members of the press at a social occasion; I do not deny that. Indeed, the right hon. gentleman does that himself quite frequently. I hope that when he meets his friends from the press at his home they have as good a time as I hope they would have at my home. Mr. Speaker, we had a cup of tea, and there was some discussion of the question of national emblems. The national flag issue certainly came up, and I expressed in a personal way to my friends my views on that subject.

[Mr. Deschatelets.]

Mr. Diefenbaker: I ask the Prime Minister this. Is the report by Val Sears in the Toronto *Star* that "Mr. Pearson personally had chosen a flag design," and that "he had sent a telegram to the Queen informing her" as I said a moment ago, true?

Mr. Pearson: Mr. Speaker, Mr. Val Sears was not at this social gathering in question.

Some hon. Members: Oh, oh.

Mr. Pearson: Perhaps that will explain the inaccuracy of the right hon. gentleman's report.

Mr. Diefenbaker: Is the report inaccurate in stating that the Prime Minister said that he had telegraphed the Queen and had advised her that the red ensign would not be our flag?

Mr. Pearson: Yes, it is inaccurate.

Mr. D. M. Fisher (Port Arthur): I want to ask the Prime Minister a question about the hour long film that was prepared on his career and personality. I wanted to ask the Prime Minister if his—

Mr. Speaker: Order; I understand there are one or two supplementary questions. The hon. member for Pontiac-Témiscamingue.

Mr. Pickersgill: I rise on a point of order, Mr. Speaker. The hon. member for Port Arthur has been recognized. Surely he cannot be interrupted in this manner.

An hon. Member: Are you afraid of it?

Mr. Speaker: The question is quite easy to solve. The hon. member for Pontiac-Témiscamingue.

Hon. Paul Martineau (Pontiac-Témiscamingue): Mr. Speaker, I wish to ask the Prime Minister if the flag design of which he expressed approval is the one that was approved by the cabinet this morning.

Mr. Pearson: My hon. friend should wait for a few days, and he will see the design of the flag.

Mr. G. W. Baldwin (Peace River): I have a supplementary question for the Prime Minister. I wonder if he would tell us whether in the consideration of government business the government is going to give priority to the resolution with regard to the flag over the introduction of an address to the Queen in the United Kingdom asking for an amendment to the British North America Act to provide the foundation for the pension legislation.

Mr. Pearson: Well, Mr. Speaker, the question of the address to the Queen of Canada with regard to the amendment of our constitution can only be decided when we get the agreement of all the provinces on the exact

formula for this address. As soon as that formula is agreed upon, legislation will be put on the order paper and dealt with very promptly.

Mr. G. H. Aiken (Parry Sound-Muskoka): My supplementary question, Mr. Speaker, is very innocuous and I am sure it will not offend the Minister of Transport. I ask the Prime Minister if this latest effort in connection with the flag is to be known as the Pearson prognostication or the Matheson masterpiece.

Mr. Robert C. Coates (Cumberland): I should like to ask the Prime Minister if he will consult the provinces before presenting his flag design to parliament.

Mr. Pearson: No, it is a matter for the responsibility of the Canadian parliament.

Mr. Coates: Does the Prime Minister not consider it to be of the utmost importance to national unity to have the views of all provincial governments on this matter?

Mr. Pearson: I hope that the views of all Canadians will be represented in this house.

Mr. Coates: Does he not feel that the views of all Canadians should be given the opportunity of expression in a national referendum?

Mr. Speaker: Order, please. Is the hon. member rising on a supplementary question?

[*Translation*]

Mr. L. J. Pigeon (Joliette-L'Assomption-Montcalm): Mr. Speaker, may I direct a question to the Prime Minister?

Can the Prime Minister tell the house if the adoption of a single distinctive national flag will automatically entail our rejecting the red ensign once and for all, that is to say that it will not be flown next to the distinctive national flag?

An hon. Member: Ask Mr. Pierre Sévigny.

[*Text*]

Mr. Pigeon: It is a very important question.

Mr. Speaker: I can only assume that it is the good weather that gives the hon. member so much energy at this time.

Mr. Pigeon: I rise on a question of privilege, Mr. Speaker. I addressed a direct question to the Prime Minister, I asked him to answer and he refused to answer my question because it is a question that embarrasses the government.

Mr. Speaker: Order, please. The hon. member for Port Arthur.

[*Later:*]

Mr. Fisher: I should like to ask the Prime Minister another question on a subject which has already been gone over. It is simply this: does the flag design he has chosen have a maple leaf on it?

Mr. Pearson: Yes, Mr. Speaker.

Mr. Fisher: Does it have three maple leaves on it?

CANADIAN BROADCASTING CORPORATION

WITHDRAWAL OF FILM RESPECTING PRIME MINISTER

On the orders of the day:

Mr. D. M. Fisher (Port Arthur): I should like to ask the Prime Minister whether he or his personal advisers, to his knowledge, refused approval of the film prepared by Intervideo Productions Limited that was to be screened by the C.B.C.

Right Hon. L. B. Pearson (Prime Minister): No, Mr. Speaker. I understand this is a matter entirely between the C.B.C. and the producer of the film.

Mr. Fisher: In that event, Mr. Speaker, if it were possible for the production to be seen on some network other than the C.B.C., would the Prime Minister and his advisers give their approval for that to be done?

Mr. Pearson: We do not censor films on this side of the house.

Hon. Paul Martineau (Pontiac-Témiscamingue): Mr. Speaker, may I ask the Prime Minister if he has had a private preview of the film?

Mr. Pearson: Yes, Mr. Speaker.

Mr. Diefenbaker: Oh? What were you doing it for?

Mr. Pearson: My right hon. friend should not get so excited.

Mr. Diefenbaker: Did you find it a horror film?

Mr. Pearson: I am only sorry, Mr. Speaker, that events have not so transpired that I will get this additional publicity.

Mr. Erik Nielsen (Yukon): Can the Prime Minister tell the house whether there were five separate screenings of this particular film in his office?

Mr. Pearson: No, Mr. Speaker, there was no screening in my office. I saw this picture in Toronto at a C.B.C. studio.

Mr. Diefenbaker: For what purpose; censorship?

Mr. Nielsen: I have a further supplementary question.

Inquiries of the Ministry

Mr. Speaker: Order. I had grave doubts that the last question was in order but in order to try to get rid of the matter I allowed it. If the supplementary is along the same line I am afraid it will be out of order.

Mr. Nielsen: If Your Honour is ruling it out of order on the ground of urgency, which I assume Your Honour is doing despite the great national interest in the question and the cost of $35,000 to the Canadian taxpayers, I give notice that I wish to debate this question at ten o'clock this evening.

[*Later:*]

Mr. Nielsen: Mr. Speaker, I have a question for the Secretary of State. Can he inform the house when the policy of the C.B.C. was changed so as to allow the Prime Minister to editorially review a film before a decision is made on its presentation?

Mr. Speaker: There does not seem to me to be that tremendous urgency that requires an immediate answer. Would the hon. member put the question on the order paper.

Mr. Nielsen: I would like to give notice to debate it this evening.

Mr. Diefenbaker: Mr. Speaker, in view of the earlier questions I am sure the Prime Minister would want to tell the house what business it was of his to have a preview of what was supposed to be the story of his conduct as prime minister. Did he or did anyone on his behalf advise the C.B.C. that this should not be produced because it had all the appearance of a horror mystery?

Mr. Pearson: Well, Mr. Speaker, the right hon. gentleman knows this matter is coming up for debate at ten o'clock, but to anticipate that debate, because he has such a strong interest in the matter, I might point out to him that the C.B.C. have already stated that this is a matter for their own decision and that no pressure of any kind was brought to bear on them by any member of the government to deal with this in any other way than they saw fit.

Mr. Diefenbaker: That is not the question I asked. The question I asked was under what circumstances this preview took place. Was it at the request of the Prime Minister or a member of his staff; for it is a most unusual thing that Canadians have to have him or those associated with him censor what is being produced on the C.B.C.

Mr. Pearson: The circumstances were perfectly proper. The initiative was taken by the producer of the film, and no question of censorship arises.

Mr. Nielsen: Perhaps, Mr. Speaker, you would allow a supplementary question. Can the Prime Minister answer whether the statement of Intervideo Productions Limited is accurate, that there were five separate showings to the Prime Minister and other members of his cabinet?

Mr. Pearson: My hon. friend cannot have it both ways. If he wants a debate at ten o'clock he will have to wait. He has asked for a debate at ten o'clock, so perhaps he can wait until then.

LEGAL ACTION RESPECTING PROGRAM "TWENTY YEARS LATER"

On the orders of the day:

[*Translation*]

Mr. L. J. Pigeon (Joliette-L'Assomption-Montcalm): Mr. Speaker, I should like to put a question to the Secretary of State who answers to the house for the C.B.C. Does the minister intend to recommend that the government take legal action against the C.B.C. following the program "Twenty years Later" presented on Saturday, May 9, which was an insult to religion and which questioned the value of religious teaching in Quebec?

[*Text*]

Mr. Speaker: This surely is a question for the order paper.

Mr. Pigeon: Mr. Speaker, after ten o'clock.

HEALTH AND WELFARE

FEDERAL ASSISTANCE FOR MEDICAL RESEARCH

On the orders of the day:

Mr. Heward Grafftey (Brome-Missisquoi): Mr. Speaker, I should like to address a question to the Minister of National Health and Welfare. My question is largely based on facts brought out at the recent annual meeting of the Montreal neurological institute. Is the government currently discussing policy relating to federal assistance for medical research in Canada, and can we expect an announcement in this regard in the relatively near future?

Hon. Judy V. LaMarsh (Minister of National Health and Welfare): Mr. Speaker, may I thank all hon. members for their very friendly welcome on my return to the house, and I also wish to express my thanks to all those members who were kind enough to visit me and send me notes.

May I say to my hon. friend that this matter, like many others, is under constant review by my department as well as by the medical research council. It is also part of the terms of reference of the royal commission on health which has not yet reported. I should like to say to my hon. friend, however, that when

developments warrant it I shall be very pleased to see that any government announcement is brought to his attention.

EXTERNAL AFFAIRS

LAOS—REQUEST FOR STATEMENT ON PRESENT POSITION

On the orders of the day:

Mr. R. N. Thompson (Red Deer): Mr. Speaker, my question is directed to the Secretary of State for External Affairs. In view of the urgent and deteriorating situation in Laos and the presence in that country of Canada's member of the truce supervisory commission, does the minister have some word for the house?

Hon. Paul Martin (Secretary of State for External Affairs): Mr. Speaker, the situation in Laos, as I mentioned yesterday and as we now know from the statement made by Mr. Stevenson at the United Nations this morning, has deteriorated, and this does affect the work of the commission. I expressed regret the other day that the Polish member of the commission had temporarily withdrawn from service on that commission. I said that the Polish government had been requested by Canada to have its member of the commission resume his duties.

The situation is one that is changing rapidly and we will have to await events. I may be in a position to make a statement on this tomorrow when the department's estimates are before the house.

Mr. H. W. Herridge (Kootenay West): A supplementary question to the Secretary of State for External Affairs, Mr. Speaker. Does the government of Canada support the policy of the government of the United States with respect to Viet Nam?

Mr. Martin (Essex East): Mr. Speaker, I have already dealt with this question, but I hope to deal with it at greater length tomorrow.

NATO—REPORTED CANADIAN AGREEMENT TO INCREASE MILITARY COMMITMENT

On the orders of the day:

[*Translation*]

Mr. Marcel Lessard (Lake St. John): Mr. Speaker, I wish to direct a question to the Minister of National Defence. Can he tell us if there is any truth in the newspaper article stating that the government intends to increase its contribution to the NATO forces? Is it true that Canada is willing to increase its military contribution to NATO?

[*Text*]

Hon. Paul Hellyer (Minister of National Defence): The policy of the government was announced in the white paper, and there has been no change since that time.

PUBLIC SERVICE

REAPPOINTMENT OF MEMBER OF UNEMPLOYMENT INSURANCE COMMISSION

On the orders of the day:

Hon. Michael Starr (Ontario): Mr. Speaker, I wish to direct a question to the Prime Minister and ask him, in view of the expiration of the term of office of Mr. MacArthur as a member of the unemployment insurance commission, whether it is the intention of the government to appoint him for another term. If so, when does the government intend to announce his reappointment?

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, my hon. friend the Minister of Labour is not in his seat at the moment. I will discuss this matter with him, and I hope to make an announcement tomorrow or Monday.

[*Later:*]

Mr. Starr: Mr. Speaker, to follow up my question to the Prime Minister regarding the unemployment insurance commissioner, would he give consideration to the fact that many of the affiliates of the Canadian Labour Congress have forwarded representations on behalf of Mr. MacArthur to the Minister of Labour, and would he take these into consideration?

Mr. Pearson: Yes, indeed, Mr. Speaker. I think I have received some myself.

TRADE

RUSSIA—SUGGESTED EXCHANGE OF PETROLEUM PRODUCTS FOR WHEAT

On the orders of the day:

Mr. Eldon M. Woolliams (Bow River): Mr. Speaker, I had hoped to put this question to the Minister of Trade and Commerce and the Minister of Agriculture, but in their absence maybe I can direct it to the Prime Minister. I may say it deals with a very important matter concerning western Canada. Reference has been made in an article in the New York *Times,* reprinted in the Calgary *Herald,* to negotiations between the government of Canada and the Soviet union to accept petroleum and other oil products in return for Canadian wheat. Is there any justification for this report in the New York *Times*?

Right Hon. L. B. Pearson (Prime Minister): Not to my knowledge, but it is important, Mr. Speaker, and I shall look into it.

Inquiries of the Ministry

URANIUM

ALLOCATION OF UNSOLD PORTION OF GUNNAR MINES CONTRACT

On the orders of the day:

Mr. R. A. Webb (Hastings-Frontenac): Mr. Speaker, I wish to direct a question to the Minister of Industry. Would the government consider allocating to Metal Mines Limited, Bancroft, Ontario, the unsold Gunnar Mines-United Kingdom contract for 1,200,000 pounds of uranium oxide, thereby assuring the operation of Metal Mines Limited until the end of 1964 without any other assistance from the government?

Hon. C. M. Drury (Minister of Industry): Mr. Speaker—

Mr. Speaker: Would the hon. member put this question on the order paper?

Mr. Webb: Mr. Speaker, it is very urgent at this time.

Mr. Speaker: I am quite sure there is no doubt about the importance of the question, but according to the rules handed to me by the house questions must be of sufficient urgency and importance to require an immediate answer. It does seem to me, not knowing what the minister has in mind, that he is entitled to notice on this question to be able to make a full and correct answer.

Mr. Webb: Then I should like to give notice to debate this at ten o'clock.

BROADCASTING

REQUEST FOR APPOINTMENT OF COMMITTEE

On the orders of the day:

[*Translation*]

Mr. Gilles Grégoire (Lapointe): Mr. Speaker, I should like to direct a question to the Secretary of State. Could he, today or tomorrow, make the statement he is supposed to make concerning the setting-up of a commission of inquiry on the Canadian Broadcasting Corporation and tell us what kind of a commission it will be?

Hon. Maurice Lamontagne (Secretary of State): I am sorry I cannot make such a statement today or tomorrow, but I shall certainly do so next Monday.

[*Text*]

SHIPPING

MEASURES RESPECTING WATER LEVELS IN LAKE HURON AND GEORGIAN BAY

On the orders of the day:

Mr. G. H. Aiken (Parry Sound-Muskoka): Mr. Speaker, I have a question for the Minister of Public Works. It is urgent and will require just a simple answer. Will the minister soon be in a position to announce emergency measures to meet the low water conditions in lake Huron and Georgian bay?

Mr. Speaker: This surely is a question for the order paper.

Mr. Aiken: I merely asked if the minister would soon be in a position to make an announcement, which only requires a yes or no answer. I think the minister is prepared to answer.

Mr. Speaker: Whether the minister is ready or not, it is my duty to apply the rules as given to me by the house, and there is not that sense of urgency or importance that would require an answer at this time.

WATER RESOURCES

PEMBINA RIVER—REQUEST FOR REPORT ON DEVELOPMENT PROJECT

On the orders of the day:

Mr. George Muir (Lisgar): Mr. Speaker, I should like to direct a question to the Minister of Northern Affairs and National Resources and ask him whether he has had any recent communication from the international joint commission in regard to the Pembina river development project in Manitoba and North Dakota?

Hon. Arthur Laing (Minister of Northern Affairs and National Resources): No, Mr. Speaker.

PUBLICATIONS

INTENTION OF GOVERNMENT RESPECTING PENDING LEGISLATION

On the orders of the day:

Mr. D. M. Fisher (Port Arthur): I want to ask the Prime Minister a question, Mr. Speaker, in relation to the periodicals issue. I would like to ask the Prime Minister whether in recent personal interviews he has had with the principals in the case—I am thinking of Maclean-Hunter and *Time* magazine—he has informed them he intends to proceed with the legislation in the form in which it was originally presented to this house.

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, I have had no interview on this matter with any representative of *Time* magazine. I did have an interview with representatives of Maclean-Hunter publications. The resolution is on the order paper and we will proceed with it.

Mr. Fisher: As is?

BUSINESS OF THE HOUSE

REDISTRIBUTION—FURTHER CONSIDERATION OF LEGISLATION

On the orders of the day:

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I direct a question to the Minister of Transport. In view of the minister's insistence a year and a half ago that parliament at that time should get on with its constitutional responsibility in the matter of redistribution, when can we expect this matter to be proceeded with?

Hon. J. W. Pickersgill (Minister of Transport): I would hope, sir, as soon as there was some indication it would be proceeded with.

Mr. Churchill: What do you mean by that?

[*Later:*]

Mr. Reid Scott (Danforth): I wish to ask the minister a supplementary question. If I heard him rightly he said the matter would not be taken up again until there was some indication it would be proceeded with. Does this mean the government is knuckling under to the Tory filibuster?

Mr. Pickersgill: The hon. gentleman, I think, misunderstood my answer. There was no negative in it at all.

INDIAN AFFAIRS

INQUIRY AS TO SETTING UP OF COURT OF CLAIMS

On the orders of the day:

Mr. W. H. A. Thomas (Middlesex West): Mr. Speaker, I have a question for the Minister of Citizenship and Immigration. Can the minister tell the house when we can expect the establishment of the Indian claims commission?

Hon. René Tremblay (Minister of Citizenship and Immigration): Not before the bill is approved by this house.

[*Later:*]

Mr. Thomas: I have a question for the Prime Minister. In view of the answer given by the Minister of Citizenship and Immigration to a question asked a few minutes ago, can the right hon. gentleman give the house any information as to when we can expect the introduction of legislation leading to the establishment of an Indian claims commission?

Right Hon. L. B. Pearson (Prime Minister): We know how important this matter is, and we hope to get this legislation before the house as soon as possible. I understand we are still receiving representations from certain Indian bands, but that is not holding it up. As soon as there is a possibility of getting it through the house and of making progress, the measure will be brought in.

LABOUR CONDITIONS

ST. JOHN'S, NFLD.—STEPS TO SETTLE LONGSHOREMEN'S STRIKE

On the orders of the day:

Hon. Michael Starr (Ontario): I have a question for the parliamentary secretary to the Minister of Labour in the absence of the minister himself. Because of the failure of the attempt to bring together the two parties concerned in the longshoremen's dispute at St. John's, Newfoundland, can the hon. gentleman tell us what efforts are being made by the Minister of Labour to bring these people together in order to end this long standing dispute?

Mr. J. A. Byrne (Parliamentary Secretary to Minister of Labour): As far as the Department of Labour is concerned, there has been no failure. The officials are continuing their efforts to help bring about a settlement of this matter. I will bring the hon. member's question to the attention of the minister when he returns.

Mr. Starr: In view of what the parliamentary secretary has just said, is it not a fact—and he can confirm or deny it—that the conciliation officials and others who were endeavouring to bring these parties together have given up because they were unable to do so?

Mr. Byrne: That is not a failure on the part of the Department of Labour or the minister. This is a legal strike, and the department is keeping in close touch with the situation.

Mr. Starr: What are the minister and department doing with respect to reaching a settlement?

Mr. Byrne: Carrying out the natural processes under the Industrial Relations and Disputes Investigation Act.

POWER

COLUMBIA RIVER—COST OF REPLACING WHARF FACILITIES

On the orders of the day:

Mr. H. W. Herridge (Kootenay West): I wish to address an urgent and important question to the Minister of Public Works. I apologize for not having given him notice, but the matter has arisen within the last few minutes. The question is urgent because the external affairs committee is meeting at 3.30 this afternoon, and we require an answer from the minister for purposes connected with that meeting.

Has the hon. gentleman's department obtained an estimate of the cost of replacing all wharf facilities on the Columbia river in connection with the building of the high Arrow dam, should that dam be built?

Mr. Speaker: I quite appreciate the importance of the question, but I do not know how the hon. member can expect the minister to answer a detailed inquiry of this kind on the orders of the day. Perhaps the hon. member would put it on the order paper, or communicate with the minister.

AIR TRANSPORT

APPEALS TO MINISTER FROM DECISIONS OF BOARD

On the orders of the day:

Mr. T. S. Barnett (Comox-Alberni): I have a question for the Minister of Transport arising out of an answer given to me on December 21 by the then minister of transport when we were discussing the estimates of the air transport board. On that occasion the hon. member for Ottawa West, who is now President of the Privy Council, said:

> The Aeronautics Act will be coming back for debate very early I hope in the new session, and there will then be an opportunity for an appropriate amendment to cover the point raised by the hon. member for Comox-Alberni.

I wonder whether the Minister of Transport can shed any light on the position and tell us how this matter stands at the present time.

Hon. J. W. Pickersgill (Minister of Transport): There is a notice on the order paper, and I hope it will be reached in due course.

SUPPLY

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

INTERIM SUPPLY

Mr. McIlraith moved:

> Resolved, that a sum not exceeding $338,136,717.59, being the aggregate of—
>
> (a) One twelfth of the total of the items set forth in the main estimates for the fiscal year ending 31st March, 1965 laid before the House of Commons at the present session of parliament, $329,299,209.25;
>
> (b) an additional four twelfths of the amount of forestry item 25 of the said main estimates, $480,333.34;
>
> (c) an additional three twelfths of the amount of finance item 15 of the said main estimates, $1,500,000.00;
>
> (d) an additional two twelfths of the amount of external affairs item 15 of the said main estimates, $1,597,000.00;
>
> (e) an additional one twelfth of the amount of finance item 10, forestry items 10, 20 and 30, justice item 1, mines and technical surveys item 70, national research council item 5, and privy council item 15, $5,260,175.00,
>
> be granted to Her Majesty on account of the fiscal year ending 31st March, 1965.

Mr. Churchill: I would simply ask the President of the Privy Council whether he intends to make a statement in connection with this motion for interim supply.

The Deputy Chairman: I am sorry to interrupt, but it is difficult for the Chair to hear what is being said.

Mr. McIlraith: The supply asked for is one twelfth of the amount in the estimates. That is for the month of June, and a further interim supply bill will therefore have to be brought down within a month unless, of course, the house passes the estimates, something which I do not anticipate.

The committee is also being asked to grant the additional items indicated, and if hon. members wish to inquire about any one of them I can give some further details. However, these are only items in respect of which payment is required to be made in special circumstances, in some cases because shipping on the great lakes is involved and payment for shipping is done in the months between April and November. Therefore a larger proportion than the one twelfth is required.

Another example is grants to municipalities, where the actual payments are made to the municipalities at various times during the year and certain of the payments have to be made before the end of June. In one case one half of the total payment is made by the end of June. Another example I could give of where a special item is asked for is the United Nations grants, which are made to the organizations on certain annual dates in keeping with their budgets. This has always been the practice, and these are typical examples of the kind of items where more than one twelfth is being asked for.

I of course give the usual undertaking that it is customary to give, namely that the passage of this interim supply bill does not in any way interfere with the full right of hon. members to discuss the items in the main estimates when they are brought forward. I do not know if there is any further explanation I can usefully give at this time, but if there are any questions I shall be glad to try to answer them.

Mr. Barnett: Mr. Chairman, I am one of the members of the house who consider that under ordinary circumstances a motion for the granting of interim supply is one which can be considered as a fairly routine matter perhaps not requiring any extended debate. However, I do believe there are certain circumstances when a member must exercise his

right under this motion to raise certain questions, which apparently cannot be raised in any other way, which have some urgency attached to them.

I am sure the President of the Privy Council, who apparently is charged with the responsibility of piloting this motion through the house, will not be at all surprised if I indicate that I desire to rise at this time to discuss the question of the amount granted by the federal government to the Alberni valley and west coast disaster fund to assist the re-establishment of the victims of the tidal wave disaster which struck the west coast of Canada following the earthquake in Alaska at Easter. I think the fact that I am raising it will surprise him less because His Honour the Speaker saw fit, when I rose to move the adjournment of the house on the day following the announcement by the Prime Minister that the federal government was contributing $250,000 to this fund, to disallow the motion and therefore no debate on this question was possible at that time.

The minister may recall that I did ask the Prime Minister a question on this subject on Tuesday when we reconvened following the Victoria day week end, and the Prime Minister had this to say with regard to the amount of the grant:

> Mr. Speaker, it seems to me and to the government, having regard to the measure of the damage —and I do not depreciate that—and having regard to the responsibilities of the provincial government and the resources of the provincial government, that the federal contribution of a quarter of a million dollars is fair in the circumstances, and is in accord with the principles which have been followed in the past.

At this point I might just make some reference to the last phrase in that statement, namely "and is in accord with the principles which have been followed in the past". My own feeling is that one of the reasons there has been misunderstanding and some measure of political controversy arising out of this question, and one of the reasons there has been expressed a great measure of dissatisfaction with the contribution made by the federal government, not only by me as a member for the district but by people of the area, is precisely because of the fact that there really have been no principles in the past which have been followed in this connection. Some members of the house may be a little surprised at the reaction to this amount, because it is quite true that it is not every day of the week that the federal government decides to make a contribution of a quarter of a million dollars, which in some circumstances could be regarded as a fairly substantial amount.

I want to assure the committee, Mr. Chairman, that in raising this question I certainly am not speaking only for myself. Newspaper headlines do not always give a very accurate impression of the situation which exists, but I think in this situation the newspaper headlines which appeared in the press of the area on May 14 and 15, immediately following the Prime Minister's announcement, give a very accurate summation of the reaction of the people in that area. The headline of the lead story in the daily *Free Press*, which is published in Nanaimo, of May 14 says "Ottawa gives meagre sum of $250,000 to Albernis". In the following day's issue of that newspaper the headline reads "Federal donation brings only anger to Albernis". I think the house will agree that headlines indicating a reaction of that kind in some respects put a very anomalous situation before the house, because normally when the government takes action to make a grant or a donation we in this house expect that the contribution will be received with at least a fair amount of appreciation, if not gratitude.

I want to make it quite clear at once that my personal reaction to this situation is very much in accord with the sentiments expressed in those newspaper headlines. I want to try to explain to the committee some of the reasons for that situation, not only in the minds of the people in the area but also for my own reaction as the representative in this house of those people. It arises out of a situation which perhaps it may be difficult for people like the President of the Privy Council or the Minister of Finance, who come from different parts of Canada, to appreciate. I think those of us who have had an opportunity of becoming familiar with the situation, however, can understand it. I feel quite sure that the Minister of Northern Affairs and National Resources—whom I am glad to see in the committee—has some understanding of this situation. I should not be at all surprised if he himself may not be somewhat disappointed that the amount of the contribution was not substantially larger in view of the particular circumstances, although I realize that he, being a member of the government, is not free to express such feelings even if he might wish to do so.

The Minister of Northern Affairs and National Resources did give a good deal of detailed attention to this situation, and I would like to say that in the dealings I have had with him, as the local member, I have found him most co-operative and helpful in many ways right from the outset of this situation. Nevertheless the facts remain as I have stated them as far as the reaction to this federal contribution is concerned.

Therefore, Mr. Chairman, I am availing myself of the opportunity that has been afforded through the introduction of this motion for interim supply to make some further attempt to have the government give reconsideration to this whole situation and in particular to the matter of increasing the amount of federal participation.

I suggest, Mr. Chairman, that one of the reasons for the reaction on May 14 and 15 of disappointment and a sense of frustration arises from the fact that the federal government, through the Prime Minister and through the minister of northern affairs acting at the request of the Prime Minister, gave an immediate and favourable response to the emergency situation when it arose. Certainly the result was to create an impression in the minds of the people who had suffered, and in the minds of the local authorities who were attempting to bring order out of chaos, that the federal government of Canada could be relied upon to carry its full share of the job of reconstruction and re-establishment when the time came for them to do so. I realize that I have no hope of persuading the cabinet to change its mind in this matter through an emotional appeal, and it is for that reason that I am going to try to set out what I consider to be some of the factual background to the situation.

The response given by the federal government under the Prime Minister's lead at the time of the emergency is, I suggest, a very important aspect of the events which led up to the reaction of anger which has been outlined by the local press and in many other ways. I think it is also important for us to realize that there is a broader background to this situation arising from the attitude of the people of that area, an attitude which I feel is quite generally held. In my view they feel that they are Canadians first, and therefore they look for and expect from the federal government the interest, the authority and the responsibility to deal with emergency situations and with the welfare of Canadians generally no matter where they may live in this country.

This state of mind has resulted, I would say, in a very general feeling that the ideas of federal-provincial cost sharing, particularly as they developed during the period since the second world war, are good. I think in the minds of most people in my part of the country such things as federal participation in the old age assistance program or the trans-Canada highway program are generally accepted as sound and good ideas; and as hon. members will realize, generally speaking most of these cost sharing programs have been pretty well based on the principle of a 50-50 contribution as between the provincial and federal levels of government.

I think I can go further than that, Mr. Chairman, and suggest that most of the people in my area would welcome an extension of that sort of principle. For example, they would welcome a much broader program of participation by the federal level of government so as to ensure that there would be equality of opportunity all across Canada to benefit from the advantages of higher education in this day and age.

I think this question has to be considered against the background of thinking in the particular area of the country from which I come. While it is true that if one reads the fine print in the statement made by the federal government there is some reference to limitations of assistance and federal responsibility which might be undertaken in any disaster, nevertheless the general feeling which the people in my area had was that when the federal government said it was ready to help, and followed that up by sending in immediately, at the request of the provincial authorities, army engineers to assist in the clean-up job, it would be in there with both feet to help on a full scale basis.

There was also a good deal of discussion of what had happened in some other disaster situations. Reference was made to the situations which arose at the time of the Fraser valley flood, the Winnipeg flood, the Rimouski fire, and of course more recently the Hay river flood. In those situations, of which people had current recollections and knowledge, federal participation had been substantial, and as far as was understood had been based upon full participation in meeting with provincial and local authorities and in joining with voluntary contributors to deal with the situation.

As those of us who have been following the situation and have been in the middle of it are well aware, after the initial clean-up period, which was well handled, and after the immediate emergency had been dealt with by local welfare authorities and provincial welfare officials, there developed a long period of waiting during which people did not know what was going to happen. This period of waiting, of uncertainty and growing frustration went on for weeks. This was in contrast to the initial coming forward by the federal government, and I think this period of waiting was because—I think the facts of the situation will bear this out—there was no definitive kind of policy statement made by the provincial government during the early period of the disaster. There was no indication really of what, if anything, the provincial

government was prepared to do under its responsibilities when an appraisal of the damage had been made.

As this situation of anxiety, frustration and in some cases near despair grew with the passage of time, more and more people came to pin their hopes on what the federal government would be prepared to do when the provincial government might at long last make up its mind what it wanted. So when the proposal was made by the provincial authority for a cost sharing arrangement in regard to the net depreciated appraised loss, most of the people who were affected felt that their immediate problems were over. They assumed, wrongly as events have shown, that the federal government would be prepared to accept some such proposal, and that with the possibility that the depreciated appraised loss would be met by direct government funds, the very substantial and generous contributions which were flowing in as a result of the initial organization at the local level of a disaster fund to which people could contribute would make up the difference in the cases where the depreciated loss evaluation would not suitably assist the victims of the disaster to re-establish themselves.

The result was that when the federal government announced it was prepared to make a contribution of $250,000, this announcement hit the people who were suffering and the people who were attempting to carry on a program of re-establishment at the local level like a bombshell. Perhaps it did not surprise me as completely as it did many of the people at home. Knowing the disappointment of many of the people, I freely confess that I felt a great sense of frustration and rage. I just could not help but ask myself, and I am still asking myself, why my constituents, my friends and my neighbours have to be the ones who are caught in this petty constitutional bickering. I had hoped that the federal government, knowing the situation that exists in British Columbia in respect of the attitudes that have been taken over the years by the present premier of that province, would have said that in this case we are going to deal with this emergency situation to the full, and then we will sit down and in practical fashion weigh the pros and cons of how disasters should be met in this country.

Then we might try to reach some kind of agreed formula as to the kind and size of disaster in which the federal government will participate in helping the people. If there are principles which have been followed in the past, as the Prime Minister says, I would submit that they are not very well known to the members in this house or to the people of this country. So far as I know there has never been any kind of agreement between the federal and provincial levels of government that has been written down.

So far as the people of my area are concerned, as I said earlier I believe most of them feel they are Canadians first, and they want a federal government which will accept responsibility for the welfare and well being of all Canadians, as circumstances require, in every part of this country. While it is quite true that in provincial elections many people have given support to the administration which has now been in power in British Columbia since 1952, in my view because they seem to think credit is due that administration for the prosperity and economic development that has taken place over that period, nevertheless I believe many of those people who support the present administration in British Columbia for one reason or another have not very much use for the rather petulant and arrogant separatism that comes from the premier of that province.

Those of us who live in that province are quite familiar with the pattern which has been followed in this connection. At one moment the premier of British Columbia is outdoing René Lévesque in taking positions that would mean the balkanization of this country, while in the next moment he is putting out both hands to the federal government and saying "Gimme, gimme". Those of us who live in this province are quite well aware of that situation. As I have said, so far as I am concerned, this was not the time nor the occasion for the federal government to take issue with Mr. Bennett on the kind of request he made.

I have had one or two looks recently at the British North America Act. It is, perhaps, rather prophetic for the people of Alberni that section 92, which lists the exclusive affairs of provincial legislatures, lists, No. 13 as the one which gives the provinces jurisdiction over property and civil rights. While I normally do not consider myself a superstitious person, it seems that in this particular situation there is some reason to be. I hope it is not going to continue to be an unlucky section for the people of British Columbia, whether they live in the Alberni valley or in any other part of the province or, for that matter, for the people who live in any other part of the country.

I feel this is a matter which deserves reconsideration now. The working out of some detailed plan for dealing with disaster situations is something which should be the early concern of the members of this house and of the federal government. It is something which

should be considered expeditiously in a conference with the provinces. I do feel that in view of the continuing anxiety and the continuing frustration of the people who were involved in this tidal wave disaster, in view of the very obvious uncertainties in the kind of statement the Prime Minister has made, that it has been done "in accord with principles", this is a matter which should be resolved. I submit, Mr. Chairman, I have tried to express some reasons why it should be resolved in the direction of a substantial increase in the amount of the federal grant to the disaster fund committee before this supply motion passes through this house.

Mr. Prittie: I should like, Mr. Chairman, to support the remarks of my colleague the hon. member for Comox-Alberni. He did take the provincial government of British Columbia to task, and I think rightly so, for their great delay in this matter. I quite agree with the remarks he made as to how difficult it must be for the federal authorities to deal with the premier and government of this province. There was a very long delay before any official communication came from Victoria to Ottawa on this important matter.

However, despite that the hon. member for Comox-Alberni is certainly not overstating the case at all when he says there is very great disappointment in British Columbia generally and in the Albernis particularly regarding the amount granted by the federal government. I do not have the figures before me, but with regard to the Hay river flood a year ago, in which case I realize no provincial government was concerned, and the very serious fire in Rimouski a few years ago, I believe the amounts by way of aid were much greater proportionately than the amount being given in the case of the tidal wave disaster in the Albernis.

The hon. member mentioned in the latter part of his remarks the need for a better method of handling disaster funds in this country, and I should like to dwell on that aspect for a few minutes. The hon. member for Burnaby-Coquitlam and myself received a letter on this subject from the municipal council of Burnaby recently. I should like to quote some excerpts from that letter:

> The public generally is being asked to subscribe to a disaster fund established to assist those unfortunate people who suffered damage and hardship from the effects of tidal waves along the west coast of Vancouver island, which occurred as a result of the recent Alaskan earthquake. The municipal council, while not unsympathetic to the plight of these people and the worthy cause involved, feels that there should be some different view taken of disaster area situations generally.
>
> At the present time funds are solicited on a volunteer basis, and no measure of control is specifically exercised by any governmental agency and consequently disaster funds sometimes reach proportions entirely out of true relationship with the purpose for which they are designed. An example in this country may be cited in Winnipeg where it is reported that a disaster fund was set up for flood victims some years ago and a fairly large sum in the order of $1 million still remains in the fund unexpended.

Farther on in the letter they have this to say:

> As mentioned above, the council is not opposed to the principle of assistance to those affected in disaster areas, but is more concerned with the principle of control. It is felt that consideration might be given to the introduction of a system of control by government, similar to that in the United States where disaster areas are established under the jurisdiction of the government and assistance given according to competent judgment of the severity of the disaster.
>
> The municipal council would seek the co-operation of the members of parliament in giving some consideration to the proposal of the council in this matter and would ask that investigations be made into the feasibility of such control measures being introduced by senior levels of government.

The Vancouver *Sun* supported this idea in an editorial on May 7 of this year. It is a two part editorial entitled "Slow Burn in the Albernis While Politicians Fiddle". The first part takes the provincial government to task for their delay, but the second part deals with the question of some type of national control of disaster funds, and I should like to quote it:

> The delay in aid to the Albernis supports Burnaby reeve Alan Emmott's criticism of what he calls the hit and miss system of Canadian disaster aid. Mr. Emmott believes there should be a permanent relief fund in this country which could swing into action immediately it is needed. This seems most sensible.
>
> The Americans can produce millions on a moment's notice. But in Canada federal aid, varying from 50 to 80 per cent of rehabilitation cost, must await the acceptance of the means test applied to affected provinces and municipalities. And public charity—even the $2 million or so surplus from the Fraser and Red river relief funds—simply moves too slowly to meet urgent need.
>
> It is significant that none of the $300,000 collected so far by the west coast disaster fund—including the $50,000 pledged by the provincial government, the $25,000 from Victoria city and Vancouver's $10,000—has shown up yet in the Albernis.

This, I would add, was on May 7.

> It is understandable that a full appraisal of damage is desirable before governments commit themselves to 100 per cent or even 80 per cent of rehabilitation costs. But surely the two senior levels of government could find a formula for setting up an emergency fund which could act as quickly as, say, the Red Cross. Such a fund could tide over victims while adjusters added up the precise dollars and cents. It could, for example, allow the distraught motel operators of the Albernis at least to put down payments on new furniture and fixtures.
>
> The fact that no financial assistance of any kind has arrived in the Albernis to date shows that the Canadian disaster relief fund, set up by act of parliament in 1954, doesn't do the trick. This fund contains nearly $1½ million left over from public donations to the 1950 Red river fund.

But neither this money nor the surplus Fraser fund money can make victim's lives less miserable while tied up in the bank, while governments debate what's a national emergency and what isn't.

Finally, Mr. Chairman, there are two points I should like to make. I certainly hope the federal cabinet will, as requested by the hon. member for Comox-Alberni, reconsider the amount of money they have already donated. Second, I hope the cabinet will give consideration to the idea of setting up a national disaster fund which could act more quickly than is the case at the present time. There are many federal-provincial conferences these days, and this matter certainly should be the subject of a federal-provincial conference. It seems to me that such a plan as is necessary can be worked out so that we do not have these very long delays every time a civil disaster occurs.

[*Translation*]

Mr. Grégoire: Mr. Chairman, I just rise for a few minutes to answer a suggestion made yesterday by the right hon. Prime Minister (Mr. Pearson) when he stated that in the event of a supply motion, the opposition might then air its views with regard to the national flag.

The supply motion is scheduled for Monday and Tuesday; we understand that the official opposition does not seem at all anxious to take this opportunity of discussing the matter of the national flag. To my mind, we have that opportunity today, and I believe that our views, on this side of the house, are well known. We favour a distinctive flag, but we do not want to embark upon a discussion on the design of that flag, because it would be endless. But we do want to give the house a chance of stating its views on this point, so as to encourage the Prime Minister to introduce as soon as possible his resolution on the national flag. We are availing ourselves of this opportunity to enable the house to express its views on this subject and thus facilitate the task of the Prime Minister and the cabinet.

Mr. Chairman, I have an amendment to the interim supply resolution. I simply suggest to include one sentence. Here is my amendment, in French and in English:

I move, seconded by the hon. member for Charlevoix (Mr. Bélanger), that the following words be added to the interim supply resolution:

"This house considers that it is opportune to adopt as soon as possible a distinctive Canadian flag".

Mr. Chairman, that does not affect the budget at all. There is no increase in the expenditures. Neither is there a vote of non-confidence. It simply means that we take advantage of the circumstances that give us an opportunity to discuss any matter at all during such a period. Since we are permitted to discuss all sorts of matters, we are also allowed to introduce an amendment concerning the matter we wish to have discussed. That does not affect the budget in the least.

This amendment we are bringing forward is only the expression of a wish. We would like to have it accepted as such. It gives us an opportunity to make the Prime Minister aware of the fact that he will have our support and the support of all members of this house when the time comes to select a distinctive Canadian flag.

There is no reference in this amendment to a specific design, but simply to the principle of a distinctive Canadian flag.

That is why we, of the Ralliement Créditiste take this first opportunity to show the government—we also hope that all the members of the party in power will therefore give us their support—that we support them and that the house also supports the decision to adopt a distinctive flag for Canada.

The Chairman: Order. The hon. member for Lapointe moves that the following words be added to the interim supply resolution:

This house considers it is opportune to adopt as soon as possible a distinctive Canadian flag.

[*Text*]

The hon. member for Lapointe moves that the following words be added to the interim supply resolution:

This house considers it is opportune to adopt as soon as possible a distinctive Canadian flag.

Is there any hon. member who would like to offer views regarding the legality of the proposed amendment?

Mr. Lambert: I think it is quite obvious that a reading of the most elementary rules of the house would indicate that this amendment goes away beyond the ambit of the resolution, which is one dealing with interim supply and the voting of certain credits to the government. The amendment, dealing with the subject matter of a flag, is as different as day to night, when applied to the resolution. It enlarges the ambit of the resolution and that is not permitted to an hon. member. I would therefore submit the amendment is wholly out of order.

[*Translation*]

Mr. Grégoire: Mr. Chairman, the hon. member for Edmonton West (Mr. Lambert) said that one has only to read the standing orders of the house to realize that our amendment is not in order, but he has not mentioned any standing order which says that this amendment is against the rules—

Mr. Lambert: One does not have to do that.

Mr. Grégoire: When someone rises on a point of order at large, it just means that no specific standing order deals with that point.

Now, I would have the committee note that interim supply calls for the vote of one twelfth of all items in the main estimates. So, it has to do with the Department of the Secretary of State, the privy council and the administration of the various departments. Furthermore, the national flag comes under the whole cabinet. There is no expense involved. The opposition must not introduce an amendment which increases the budget expenditures; now, this amendment constitutes a hope which is not against the wishes of the cabinet and does not increase interim supply as far as those departments are concerned, especially the expenses of the privy council, for which this supply provides some expense items.

That is why I submit that the motion is entirely in order and that no standing order is against it.

[*Text*]

The Chairman: If there are no further arguments to be submitted at this time, I believe the Chair can rule on the legality of the proposed amendment. I would have to go along with the hon. member for Edmonton West when he suggests that the amendment goes beyond the ambit of the resolution now before the committee.

I would like to refer the hon. member for Lapointe to May's sixteenth edition, at page 421, where it is stated:

> —no matter ought to be raised in debate on a question which would be irrelevant, if moved as an amendment, and an amendment cannot be used for importing arguments which would be irrelevant to the main question.

Inasmuch as the proposition brought forward by the hon. member for Lapointe is beyond the ambit of the resolution before the committee, I submit it is irrelevant. I think I should also mention to the hon. member that in my opinion this is really a substantive motion which requires 48 hours' notice. A third argument is that this proposition anticipates Bill No. C-64, which is on the order paper. For these reasons I respectfully suggest that the proposed amendment is out of order.

[*Translation*]

Mr. Grégoire: Naturally, Mr. Chairman, you have given your ruling on the amendment we brought forward. You referred to Bill No. C-64, which is on the order paper at this time and has to do with a flag. What we are asking for is not necessarily based on that. We are merely asking the house to consider the advisability of adopting it as soon as possible. That does not necessarily mean today. Furthermore, we feel that this—

Mr. Lambert: Order.

Mr. Grégoire: —that this is within the ambit of the discussion and is in no way irrelevant.

The Chairman: The hon. member will recognize that the ruling given by the Chair may not be discussed. I would remind him that the decision I have just given was based not on one argument only, but three. In my opinion, each of those three arguments was reason enough to rule the proposed amendment out of order.

[*Text*]

Mr. Barnett: Mr. Chairman, I would like not to have to rise again but I believe the matter I raised earlier is of sufficient importance to warrant some sort of reply from the government. Inasmuch as it involved the President of the Privy Council who, I understand, is chairman of treasury board, and the Minister of Finance, both of whom must have taken part in the discussions that led up to the cabinet decision, either or both these hon. gentlemen should be prepared to give the committee some indication, in greater detail than we have been given before, of the thinking of the government in arriving at this decision, and some indication that the cabinet is prepared to reconsider the matter.

I raised this question with the Prime Minister on Tuesday, following his week end trip. I am willing to concede that there had not been too much opportunity over the week end for the Prime Minister to call the cabinet together to reconsider this matter, as he indicated earlier to the Leader of the Opposition that he would do.

So far as the people in my constituency are concerned, it is a question not only of their immediate loss but one that goes deeper than that. It is one which involves their faith in Canada, in the government of Canada, and in what it means to be a Canadian citizen. As the member for that constituency who has tried to give this chamber some indication of the outlook and general attitude of the people of that area towards pride in Canada, I can say it is a question that goes to the root of their outlook, attitude and support of the whole Canadian idea. To me that is an even more fundamental consideration than the exact design of a particular symbol or emblem which may be raised in various places in our country.

Mr. McIlraith: Mr. Chairman, the hon. member for Comox-Alberni and the hon. member for Burnaby-Richmond raised a matter of considerable importance. The difficulty in this case arises out of the requirement that

somehow the federal government, under our constitution, reconciled a desire to help a segment of the population who suffered a very severe disaster. Without question, this was a very serious disaster to those who were involved. However, responsibility has to be exercised, in the knowledge that under our constitutional arrangements the provinces have direct and immediate responsibility for the municipalities—indeed, the municipalities are creations of the provinces. I think that a few years ago the position was always firmly taken that it is only when a province was unable, by reason of the extent of the disaster, to finance the relief which needed to be supplied, that anything could be given. That was the original position. I know there have been variations in more recent years, but I mention this so that we may get this matter into perspective.

Something was said of the Hay River disaster. The criteria which apply in this case, however, are different and I do not think the example is particularly relevant to our discussion since, of course, Hay River is in the Northwest Territories and no provincial government is involved. Nor would it be suggested, I imagine by any hon. member, that it is beyond the capacity of the provincial government concerned to handle the relief measures necessary in the case of this particular disaster. The Alberni situation has to be resolved in this context. Bearing these considerations in mind, and not having in its possession details of the damage, the government decided that notwithstanding what I have said it should make a contribution toward helping these unfortunate people. And it made a contribution of a quarter of a million dollars—or, at least, it indicated it would make a contribution of that amount. I believe in light of the circumstances this reflected a responsible treatment of the subject, whether or not one thinks the particular amount was large enough. That is a point which could be discussed at great length because any amount so given is not arrived at on the basis of a precise formula.

Hon. members suggested the sum was not large enough but, as I listened attentively to their comments, I received the impression that their reason for believing it was not large enough did not represent an objective approach on their part but, rather, that it reflected a feeling that the province had not acted as they would have wished it to act in such a situation. In any event—and I do not wish to interpret their remarks—they were critical of the way in which the province had handled the situation. I do not wish to join in that criticism for the reason that whatever I may think of the way in which the province handled the situation, the fact remains that this is a provincial responsibility, and I do not think it is for federal members of parliament to criticize the methods used by provinces in dealing with matters which lie within provincial jurisdiction.

Hon. members then raised another question which I regard as being altogether separate, though related closely enough to allow it properly to be raised in the circumstances. It concerns procedure for a national disaster fund—and those were the precise words used as I noted them down. This raises a matter which perhaps should be taken into consideration so that on some suitable occasion the establishment of some kind of criteria to be made applicable in these cases could be worked out between the provinces and the federal authorities, to the end that in the event of a disaster the municipalities or the local areas themselves would have reason to know what tests were likely to be applied and how they would be applied. The authorities, both federal and provincial, would, in turn, know in what circumstances they would be expected to contribute and the amounts they were expected to make available. This suggestion is certainly one I would wish to consider.

Perhaps there is not a great deal more I can say about it at the moment because this is obviously a proposition which would have to be considered by the government, and when the government had reached a decision on it the whole matter would have to be taken up with the provinces on a suitable occasion. The hon. member for Comox-Alberni raised this question on several occasions on the orders of the day and he has obtained replies from the Prime Minister. I do not know that I could usefully add to those replies. I think it would not be helpful for me to attempt to enlarge on them, other than to say, in connection with the second point which the hon. member raised, that I will undertake to consider the matter and have it given attention.

I regret that in all these cases it is difficult to know what kind of contribution to make. The hon. member read headlines from newspapers as to the inadequacies of the grant made. I cannot help saying that I do not recall at any time in my political life ever seeing a headline in any newspaper applauding an increase in taxation imposed in order to enlarge any of these grants. It is, after all, a matter of acting reasonably and responsibly in determining what is a proper contribution to make, and it is well, when considering these matters, to bear in mind that the generosity desired by most people in arriving at all these contributions would inevitably mean appropriate legislation to increase taxes—because, of

course, revenue does come out of taxes. It is a matter of using a balanced judgment in all the circumstances and of reaching a decision as best one can.

I can assure the hon. member that this Alberni situation did receive, as I well know, long and careful consideration and that all the factors entering into a decision were carefully thought out and discussed at some length. There has been no attempt to minimize the significance of the loss to the persons concerned—I think 55 families lost their homes. In any event, the matter was carefully considered and the best conclusion which could be reached was that the sum of $250,000 was appropriate in all the circumstances, bearing in mind the degree of responsibility of the federal government. It is a matter of regret that it was not sufficiently large to be satisfactory to hon. members and to the persons in that area.

Mr. Barnett: I certainly did not intend to imply in the course of my remarks that newspaper headlines always give a fair summary of the feeling in the country on various issues. I did something which I do not ordinarily do. I quoted these headlines and said at the time that I was doing so because I felt they did accurately summarize the reaction. I drew attention to them because, as I had said earlier, this is not the ordinary reaction of Canadian citizens when a grant is made from the federal treasury.

With regard to what the minister had to say about increasing taxes, this is one of the axioms which I believe all members of this house realize and accept. But I should like to point out, if this has not already been drawn to the attention of the minister and the committee, that in effect if funds are provided for purposes of re-establishment and reconstruction it is simply using our taxing mechanism for providing a pool against loss, because the loss figures which were released following the appraisal are based upon the loss that was uninsurable. I have gone into this matter and it becomes apparent that a disaster such as a tidal wave, because it is a risk that will affect only people in certain limited areas of the country, is not something which in the ordinary way insurance companies would insure against, except through charging absolutely prohibitive premiums. Therefore I do not think that the minister's argument in respect to the increase of taxes, and so on, to deal with this kind of situation is really applicable in this case.

I certainly was not inviting the minister to comment upon or to agree or disagree with my own assessment of the actions of the government of the province of British Columbia. I felt free to make my own assessment because, after all, I am a citizen of British Columbia and have a vote in provincial elections, in addition to being a representative of the people of that particular area of the province. What I was trying to do in making that assessment was draw to the attention of the government and the house that there did in fact exist a gap in the finances available for dealing with this disaster situation, and I felt I should offer my own explanation, on my own responsibility, as to some of the reasons for the existence of that gap.

What I was trying to point out was that in view of the long period of uncertainty which these people have had, I was convinced that the more proper and appropriate thing for the government to have done would have been to make a grant on a scale that was sufficient to close that gap, and then follow through with dealing expeditiously with some more satisfactory and better established arrangements for future situations.

I was glad to hear the President of the Privy Council express to the committee his interest in taking action along those lines; but I still maintain—and I think members of the house will appreciate my position—that assurances of that kind are not really very helpful in dealing with the problem that is immediately facing these people, who are receiving considerably less than the net depreciated value of their loss, let alone any consideration toward receiving something that bears a proper relationship to replacement costs in this situation.

[*Translation*]

Mr. Marcoux: Mr. Chairman, I just want to give you a little assistance. Earlier, when the motion of the hon. member for Lapointe (Mr. Grégoire) was ruled out of order, three reasons were given, one of which was the fact that Bill No. C-64 was now figuring on the order paper. However, I see that Bill No. C-64 is an act to provide for a Canadian national anthem, while Bill No. C-41 is an act respecting a national flag and a national anthem of Canada. The latter would have been a better argument than the former.

[*Text*]

The Chairman: Shall the resolution carry?

Mr. Peters: Before the resolution carries, Mr. Chairman, I would like to avail myself of the opportunity of saying something about the business and the operation of the house. An editorial appeared the other day in the Montreal *Gazette* under the heading, "Better house management needed". It went on to speak of the presentation made by the Prime

Minister on May 15. I think some parts of this editorial are worth considering. It said:

> The House of Commons did not look at its best when Prime Minister Pearson announced the 20 pieces of legislation that must be passed before the summer recess, and many members of the house laughed at him.
>
> To some extent all this is due to the government's minority position and the restive mood of a house that is not disposed to allow the government to forget its thin hold on power. But there is more to it than this. The trouble also comes from the fact that the business of the house, the amount and order of legislation, is not being frankly worked out between the government and the opposition.

It goes on to say:

> The need for a frank understanding between government and opposition would not in any way limit the freedom of criticism and debate. It is, rather, a matter of the proper management of business.

I recommend the whole editorial to all members of the house. I think the Prime Minister was being unfair and rather stupid in introducing the amount of legislation he did introduce in the way that he did, if he honestly and with any integrity expected the house to pass this legislation before having any recess this summer. I think that we in Canada should start looking at improving the affairs of government, and one of the major ways of doing this is by dividing the session off in accordance with the arrangements they use in the United Kingdom, where they divide the financial section of the session and the legislation section of the session. As most hon. members will know, this was done a long time ago, because they encountered the same problem that faces us, namely that you cannot mix the budget resolutions and the throne speech legislation and try to deal with them at the same time and expect to accomplish very much with either.

No one in this chamber has ever gone to a meeting run by any organization which had any understanding at all of the operation of an organization—certainly this has been the experience of anyone who has attended meetings on a regular basis—where an agenda had not been prepared and it was decided that there would be a limited, and only a limited, amount of new business introduced in that agenda. The agenda is presented; those present at the meeting are asked to approve, add to or delete from the agenda, and the agenda is adopted. That is the way the business is carried out.

I have just looked over the number of things the Prime Minister suggested had to be passed. I have totalled them up. I may be out one or two, but I totalled 35 items. I do not know when his week end is going to come, but if he does not run the house better than it appears to be run at the moment he can count on that week end some time very late in the fall, because members of parliament are already taking their holidays and would be quite happy to see that he has the opportunity to stay here during July and August if he wishes to do that.

I have read the list. Some of these measures are important; some of them have been put off by us for five years, and I do not understand how he thinks we are going to pass them all of a sudden. Some of them are just wishes; some of them are just election promises; some of them have great priority and should be discussed—but I think it is very unfair, unrealistic, and is a very poor way to run a government if we are going to continue to hold a gun to the heads of members of parliament every time a period arises when we normally expect to have some recess, and this type of situation is put before us. There is not a member in this house who has not decided in the last two or three years that this is a full-time job, that we have an obligation to be here almost the year round. There is, except for elections, a limited period of time in which a member is able to visit his constituency and make a complete tour of his area.

I think we should decide now when that period will be. I can assure you, Mr. Chairman, that it does not satisfy me to have a recess some time during the winter, when I come from northern Ontario. It is neither handy for me nor advantageous to my constituents. In the rural areas we may sit around a stove while we discuss particular problems, but I think it is much better if they were discussed out in the fields with the sun pouring down, giving a guy a break from his haying or harvesting.

We should also give consideration to the interests of members of parliament with families and young children. If this is done we will find that the best time for a holiday will be somewhere around July and August. If this holiday period could extend to some six or eight weeks I think the date should be set for July 1 to end of August, and that this decision should be taken now.

What would this decision mean, Mr. Chairman? It would mean that the government would have immediately to consult with the other members of parliament, or if they do not wish to do that they would have to publish—perhaps this is by far the best method—a list, a really honest list, as to the things it is desirable to accomplish. This list could be made available to the press, if they want to do it in other ways than in the past; and then it will rest on the shoulders of every member of parliament, no matter from which party or quarter of the house he may come, to give his co-operation and achieve the result desired within a reasonable length of

time. There will always be, of course, I think everyone will admit, occasions when certain matters arise, such as that which arose at the Easter recess or during the Cyprus crisis, and attention must be directed to them. I think every hon. member is adult enough to take this into consideration, and our rules and regulations must therefore make way for this type of emergency.

I am very pleased at some of the changes which are being made, and I think members of parliament are to be congratulated on their willingness to make them, particularly when the government does not seem in any way willing to co-operate or to make concessions. When an individual member of parliament makes a concession which the government does not, I think the newspapers could do the country a service by pointing out that the government is being irresponsible in taking such an attitude. Let me take an example. We play with estimates every Friday afternoon. I do not know why estimates are brought forward on Friday afternoons. Perhaps it is because cabinet ministers want to go away and decide that it is "Joe's" turn today. The government have not a chance in Hades of getting estimates passed on Friday afternoons, and they know it. I do not profess to be an expert on any subject, but I do not think it would be difficult for me to speak on the subject of, say, external affairs. All I would need to do is to read the newspaper and every Friday afternoon I could rise and make a speech on what I had read during the week about external affairs. But I think this would be difficult to do over a period of two or three days. My suggestion is that the government is being irresponsible in bringing forward estimates every Friday rather than concentrating on the legislation which they declare should have priority before the summer recess, and hammering away at such legislation until it is passed.

One of the major legislative items is redistribution. There is no question that the Conservative party has decided that redistribution is very important to them and is going to be fully discussed—and I think they have the right to discuss it. On the other hand, I think the government also have the right to expect this measure eventually to be passed. I suggest that the only way they can pass this measure is to bring it forward with whatever priority they wish to give it, state frankly their position to the house and the need for the legislation, and then leave it up to the responsibility of every hon. member in his own conscience to make his decision about it. I think the government shirks its responsibility in failing to do this.

[Mr. Peters.]

You will also be interested to note, Mr. Chairman, in looking over the 35 pieces of legislation which have been announced that there is no reference to a new flag. This was not considered. There are also many other items which I am sure the Prime Minister, if he were honest, would admit he has not a hope in Hades of getting through by September, even if we were to sit here June, July and August. I think the legislation listed is extensive enough, but all 35 items could not possibly be passed before the recess. I have seen some of them on the order paper for two years now and I do not think they will pass even at this session.

I was pleased to hear that the committee on procedure was able to make recommendations far reaching in scope and consented to by all members of the house, as I understand it. After discussing them in caucus there was general agreement with them. But I ask you, Mr. Chairman, did the Prime Minister sit in at his caucus when they were discussed, and did he agree that these concessions were of some value to him? What is the Prime Minister and the government willing to offer us? Too many times members of the press will say that a certain member of parliament, who is doing something they do not like, is holding up legislation. I noted a very amusing occurrence the other day where a long list of remarks made during another debate was unrolled so as to highlight the fact that there had been considerable discussion in a particular field. But have the press asked the government what it wants to accomplish this session, or what it wants to accomplish before the recess, and when the recess will be?

I was accused, Mr. Chairman, of having had some interest in the situation which developed at Easter. I would inform the house now that I also have some interest in developing a situation relating to our summer recess. I have always been offended by the fact that the government are able to hold to the head of an individual member the threat of losing his holiday at the expense of what he considers the interests of his constituents. Since I have been a member of this house there has never yet been an occasion when just before a recess, whether it be for one day, one week, a summer recess or the end of the session, the government did not bring in a number of items of legislation which were not expected to pass prior to the offer of a vacation which, it is suggested, should be given speedy consideration.

I think this is unfair and that the House of Commons and the people of Canada have a right to know the government's agenda for the session, both in the legislative and in the

financial field. We are aware that estimates are increasing year by year and that there is need to separate them from our legislative considerations. I think the government would be much more fair if they were willing to disclose what items they wanted passed—they could certainly count on my co-operation and on the co-operation of this party—and allow us to give consideration to what we consider to be our priorities in relation thereto.

In the list of 35 measures, Mr. Chairman, there are a number of items of extreme importance to my constituency. They are of importance to some segments of the economy in my constituency. There are others which do not bear that importance as far as my constituents are concerned. I believe I have an obligation and a right to press for the needs and requirements of my constituents. I should have the right, Mr. Chairman, as a member of parliament, to know to which of these items I should give preference in the allocation of the time to which I consider I am entitled.

I believe the government should be willing to set a date for such things as the Easter holiday, and say we are going to have a holiday. Anyone can check back, Mr. Chairman, and ascertain that we were not much farther ahead after Easter than we were before Easter. We had accomplished very little in terms of legislation or estimates. I am sure that the objection of every member to having something rammed down his throat will be apparent. You will find that after two months of what would be normally our summer recess we will not have accomplished very much in terms of legislation with regard to these 35 items. Hon. members should be informed of the government's intention with regard to a summer recess, and what the government's preference is in connection with legislation it hopes to get through before that time.

I agree with the Prime Minister that there are things that should be presented and passed. However, when he throws in this flag issue and says the government will stake its future on it, and implies that there may be an election, then I think he is being unfair and is not giving preference to any of the 35 items he listed. These items cannot matter very much if he is willing to postpone them for six or eight months in order to have an election.

We are talking about the government, but I am not sure really who the government is. I would think it is a very small number of people in the cabinet. I do not believe it includes all the cabinet. I have sat in opposition with some of these government members, I have been their colleague in years gone by, and I have found most of them to be reasonable. I am sure these people did not decide that these 35 items would have to be passed before a decision could be reached about a summer recess. I just wonder who the government is. Is it only the Prime Minister who sits in his little ivory tower and decides what he wants to get done, decides what the preference shall be, just as he now decides what the flag should be? Is this what government by the Liberal party means? After all, the Liberal party was elected on the fact they had a team and they were going to be able to work things out administratively. They had better get started because they have not given much indication so far that they are a team.

Every member of this house has a responsibility. Their responsibilities vary according to whether they sit on the government side or the opposition side. I think it would be foolish for 265 members of parliament to sit here and not be able to come to a decision on what constitutes a year's work. We know that in the United Kingdom if the work of parliament is not finished by a certain time they automatically start a new session. The old session may end today and a new one may start tomorrow. However, they do decide that there will be a time at which this may happen. I feel that the business of parliament has grown from the time when a session used to be three or four months in length, and being a member of parliament is now a full-time proposition.

I cannot see how the newspapers of this country are going to be able to blame members of parliament for poor management if the government itself cannot make a decision and provide parliament and the country with an agenda for the orderly conduct of business. I strongly urge the house leader to give full consideration to what business he believes should have priority before a summer recess which, in my opinion, should begin on the first of July. Certainly, he should give consideration to the possibility of completing the important legislation the government may bring before us before dealing with the estimates. I strongly urge consideration of this matter. There will probably be two months taken up in trying to convince the government that this course is going to be followed in the future. However, this course is going to be followed because I feel that the matter is important enough to warrant following it. I do not believe the government will find the house unreasonable, if the government is fair and straightforward with the house. I hope that tomorrow the Prime Minister will announce that he expects parliament to recess for the months of July and August, and that certain legislation must be passed before we recess.

We all remember what happened in connection with the $50 million needed for the unemployment insurance fund. Hon. members are not unreasonable when the needs are presented to them. Except for the possibility of an emergency, I hope the Prime Minister will inform the house we will recess on a certain date and return on a certain date, and that this possibility will not hinge on the passage of these 35 items.

Mr. Prittie: The hon. member for Timiskaming has brought up some very important points, I believe. He has expressed the feelings of many private members in this house. There are many ways of expediting business, and if the Prime Minister wants that hatful of legislation passed, I think means will have to be found other than we have been able to find so far. I do not believe the committees system is being used as it should be. This complaint has been expressed by many of the new government backbenchers.

So far in this session we have not had departmental estimates referred to any of the committees. It seems to me that before much longer estimates such as those of the Department of Veterans Affairs should be referred to the veterans affairs committee, which could be working on them. The estimates of the Department of Fisheries could go to the standing committee on marine and fisheries. The committee which looked over the reports of Canadian National Railways and Trans-Canada Air Lines has not been called into session as yet, and this is something we must do before the session ends. All of these committees should be used, and used immediately. Not all the departmental estimates can be referred to the committees, but many of them can be. So far we have just had three committees working, namely the external affairs committee dealing with the Columbia river treaty, the committee on privileges and elections and the committee looking after the rules. I think if we subdivided some of the work and got it out of the house into committee, we would make more progress.

I like the idea presented by the hon. member for Timiskaming concerning some regularity of sessions. Being a member of parliament is a full-time occupation now. In the United Kingdom they say that at certain times of the year the house will sit and other times it will not. I suspect one of the real problems in this whole situation is that there are some people on the government side and some people in the official opposition who do not want the house to function. It seems to me that some members of the official opposition want an election so that their leader will get one more chance to be prime minister. I am sure that many of the advisers of the Prime Minister believe the government should just drift along for a while and then go for a fall election in order to get the majority they need. This is very nice for them, but it does not get the business of the country done. They would like to have an election so that some of these minor parties would be out of the way. I believe if an election is held we will still be around to bother them.

The important thing, I believe, is not to talk about a fall election but to get the business done as soon as possible.

Motion agreed to.

Resolution reported and concurred in.

[Mr. Peters.]

WAYS AND MEANS

The house in committee of ways and means, Mr. Batten in the chair.

INTERIM SUPPLY

Mr. McIlraith 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 March 31st, 1965, the sum of $338,136,717.59 be granted out of the consolidated revenue fund of Canada.

Motion agreed to.

Resolution reported and concurred in.

Mr. McIlraith thereupon moved for leave to introduce Bill No. C-99, for granting to Her Majesty certain sums of money for the public service of the financial year ending the 31st March, 1965.

Motion agreed to, bill read the first and second times and the house went into committee thereon, Mr. Batten in the chair.

Clauses 1 to 4 inclusive agreed to.

On clause 5—*Account to be rendered.*

Mr. Lambert: Before the schedules carry would the President of the Privy Council give the house the assurance that the bill is in its usual form and that all items included therein will be subject to deliberation at the appropriate time?

Mr. McIlraith: Yes, as I indicated at the resolution stage I am happy to give that undertaking and I hereby give the formal undertaking that all such rights and privileges will be respected and will not be curtailed or restricted in any way as a result of the passing of this interim supply bill. I refer to the right to discuss individual items of the estimates.

Clause agreed to.

Schedules A to D inclusive agreed to.

Preamble agreed to.

Title agreed to.

Bill reported.

The Acting Speaker (Mr. Batten): When shall the bill be read the third time? Now, by leave?

Some hon. Members: By leave.

Mr. McIlraith moved the third reading of the bill.

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

BANK ACT—QUEBEC SAVINGS BANKS ACT

EXTENSION FOR ONE YEAR OF AUTHORITY TO CARRY ON BUSINESS

Hon. Walter L. Gordon (Minister of Finance) moved the second reading of Bill No. C-98, to amend the Bank Act and the Quebec Savings Banks Act.

[*Translation*]

Hon. Marcel Lambert (Edmonton West): Mr. Speaker, we are in a rather strange situation because the only copy of the bill given us is in French. Usually when copies of bills reach us in one language only, we get the English copy.

We note today, with some pleasure, that this time we have only the French copy.

[*Text*]

I would ask the minister to advise us whether the period of 60 sitting days will be as of the 1st of July, 1965 or from what particular date. Other than that I have no further comments to add to those which were made by my colleague, the hon. member for Digby-Annapolis-Kings (Mr. Nowlan), at the resolution stage.

Hon. Walter L. Gordon (Minister of Finance): Mr. Speaker, I apologize for not continuing this discussion in the French language but I did notice—

Mr. Knowles: Mr. Speaker, on a point of order, should you not announce to the house what the effect will be if the minister speaks now?

The Acting Speaker (Mr. Batten): I must advise the house that if the minister speaks now he will close the debate.

[*Translation*]

Mr. Marcoux: Mr. Speaker, may I point out that it is five o'clock?

[*Text*]

The Acting Speaker (Mr. Batten): 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, private bills and public bills.

PRIVATE BILLS

CONSIDERED IN COMMITTEE—THIRD READING

Bill No. S-5, respecting The General Council of the Canadian Branch of the St. John Ambulance Association—Mr. Matheson.

BUSINESS OF THE HOUSE

Mr. MacNaught: Mr. Speaker, If I could have unanimous consent I would request that you call item No. 31, the second reading of Bill No. C-60, an act to amend the Combines Investigation Act (captive sales financing).

The Acting Speaker (Mr. Batten): In order for this bill to be proceeded with now there will have to be unanimous consent. Does the house give unanimous consent to proceed with Bill No. C-60 at this time?

Some hon. Members: Agreed.

COMBINES INVESTIGATION ACT

AMENDMENT TO PROHIBIT CAPTIVE SALES FINANCING

Mr. P. V. Noble (Grey North) moved the second reading of Bill No. C-60, to amend the Combines Investigation Act (captive sales financing).

Hon. J. Watson MacNaught (Solicitor General): Mr. Speaker, I would move, seconded by the Minister of Veterans Affairs (Mr. Teillet), that this bill be not now read a second time but that the subject matter thereof be referred to the select committee on consumer credit for further consideration.

Motion (Mr. MacNaught) agreed to.

TRANSPORT

AMENDMENTS RESPECTING PUBLIC CARRIERS IN B.C. COASTAL WATERS

Mr. T. S. Barnett (Comox-Alberni) moved the second reading of Bill No. C-29, to amend the Transport Act and the Railway Act (B.C. water carriers).

He said: Mr. Speaker, this is the third occasion over a period of years on which I have moved second reading of a bill on this subject matter. Perhaps I might explain the purpose of the bill by a brief reference to the explanatory notes in which it is stated:

> The principle of this bill is one that is recognized by parliament: namely, that public convenience and necessity may require public carriers of goods and passengers to be regulated. This bill would regulate such carriers that operate in British Columbia coastal waters by putting them under board of transport jurisdiction.

Perhaps I might explain the purpose of the bill a bit further by making reference to the terms of part II of the Transport Act, as it

is set out in chapter 271 of the Revised Statutes of Canada, 1952, which deals with the matter of transport by water. Section 10 of the act states:

The board—

—that is the board of transport commissioners—

—may, subject to the provisions of this part—

—that is, part II of the Transport Act—

—license ships to transport passengers or goods or both passengers and goods from a port or place in Canada to another port or place in Canada.

Section 11 (1) states:

No goods or passengers shall be transported by water, from one port or place in Canada to another port or place in Canada, either directly or by way of a foreign port or for any part of the transport, by means of any ship other than a ship licensed under this part.

The particular section of the bill which it is my proposal to amend is section 12, which in effect is an exempting section. Section 12 (2) says:

The governor in council may by regulation exempt any ship or class of ships from the operation of this part.

Section 12 (3) is quite specific in its terms and says:

The provisions of this part do not apply to the transport of goods in bulk in waters other than the Mackenzie river.

Then there is a further exempting provision in subsection 4 which says:

The provisions of this part do not apply in the case of ships engaged in the transport of goods or passengers

(a) between ports or places in British Columbia—

The net effect and the main purpose of my bill, apart from some consequential amendments to the Railway Act, are to remove from that exempting section of the Transport Act the phrase "between ports or places in British Columbia."

I would like to point out that though I introduced this idea to the house for the first time in the form of a bill in 1956, that was not the first occasion on which the subject matter of the bill had been discussed in the house.

The main provisions of the present transport legislation date back to 1938 and the act in its present form, basically, was introduced to this house by the late Right Hon. C. D. Howe who at that time was minister of transport. I remember pointing out on the first occasion on which I introduced this subject for the consideration of the house that when the measure was up for initial consideration in that year the very subsection to which I then referred, and which I now seek to have eliminated, was discussed at considerable length by the then hon. member for Comox-Alberni, Mr. A. W. Neill who, as may be remembered, sat for many years in this house as an independent member representing the constituency which I now represent. Mr. Neill was at that time greatly concerned about this particular subsection, and the records show that when the bill was originally before the house in committee he sought, by motion, to have this particular provision deleted. I pointed out to the house in 1956 that while it was quite conceivable that one member from Comox-Alberni could be wrong in the conclusions he had reached as to the necessity for the deletion of this subsection, it was hardly likely that two of them would be in error in this regard, particularly when their conclusions had been arrived at on different occasions separated by a considerable period of years. So I feel I must be presenting to this house an idea worthy of favourable consideration.

It is true, and I think it should not be overlooked, that during the period which has elapsed since Mr. A. W. Neill first objected to this provision, a veritable revolution has taken place in the transportation pattern in coastal areas of British Columbia. It is true that those parts of the province which were then affected by the need for water transport still depend, by and large, upon the same means of conveyance. In the intervening years there has been some development of roads and highways along the coast, though not as great as one might suppose. But there has been a startling development in the field of air travel. Whereas in earlier years when this subject was before the house the only mode of travel up and down the coast was, almost without exception, by coastal vessel, today the bulk of those travelling back and forth from the various centres along the coast, and particularly from the areas north of the parts ordinarily referred to as the lower mainland and southern Vancouver island, travel by air.

One of the results of the development of air travel has, of course, been a drastic alteration in the whole pattern of travel by steamer. A great many of the steamer runs which had been known for years along the coast as well established runs have disappeared. One of them, and perhaps the best known, partly because of the number of summer tourists who patronized it, was the run of the famous steamer *Maquinna* along the west coast of Vancouver island. But the old and well known steamers of the former Union Steamship Company which used to sail the coast in a regular way for years have also disappeared entirely from the picture.

There has also been a marked change in the pattern of handling goods or freight. A great deal of the freight which is now carried up and down the coast is carried by

barges rather than by the more familiar types of coastal steamer. In recent years a further development has taken place, one which I think should not be overlooked in any consideration of the pattern of travel on the Pacific coast. I have in mind the development of a publicly owned ferry system under the aegis of the provincial government of British Columbia. I should like to point out at once that it is my understanding that the operation of this publicly owned ferry system would not be covered by the terms of the bill I am now proposing. In other words, provision for licensing by the board of transport commissioners would not apply in the case of provinciallv-owned vessels.

I submit that in spite of the many changes which have taken place in the field of travel and which I have attempted, briefly, to outline, there is a continuing need for some form of orderly regulation of transportation by water on the west coast. I should like to point out that water transportation on the west coast of Canada is almost the only aspect of public transportation, as far as I know, in this country which is not governed by some form of public regulation and control. It is the only area of transportation where the people who use it have no right of any kind to appeal to a public body for redress if their interests have been adversely affected. There is no place where they can go to raise any question with regard to the tariffs, fares or freight rates they are charged. They have no means of ensuring whether a particular service will continue to run or cease to run. Moreover, there is no means of protection for those who operate a service so as to ensure that a dozen other people may not suddenly decide to institute a parallel service, with the result that they might all go bankrupt and, in the end, no service would be provided.

From time to time in this house I listen to considerable discussion on the subject of railway branch line abandonment proposals in certain parts of the country. As I listen to such discussions I sometimes wonder what the situation would be in the rest of Canada, and in the prairie provinces in particular, if the transport companies concerned had complete freedom to tear up railway lines or to discontinue passenger services here and freight runs there, unanswerable to any public control or authority and without regard to any of the results which might follow from such actions. Undoubtedly, of course, one of the results might be to bring about some shortening of the length of discussions that take place in this house. But I would like to point out that this is precisely the situation which has faced the people who live in the coastal area of British Columbia all through these years. In my view, Mr. Speaker, that is why the late Mr. A. W. Neill, when he represented a constituency which does cover a very large and important part of that coast, pressed this point in the interests of the people who lived in the coastal communities.

I think this matter is perhaps becoming more important, even though there may not be as many steamer runs affected now as was the case some years ago. I feel that one of the reasons it is becoming more important arises in part out of the development of the provincially owned ferry system in British Columbia, because as matters stand the provincial government, without any other reference, can institute runs and in fact has plans at the present time, according to announcements that we have read in the press, for introducing new ferry runs such as the one that has been proposed to follow what is becoming known as the route of the Haidas, from the northern part of Vancouver island through to Prince Rupert. They can do this without any reference to the general pattern of transportation and the effects their actions may have on it. Of course, the actions of the provincial government in the field of highway development can very drastically alter the requirements as far as travel by water is concerned. In addition to that there is a great deal of confusion as to what is the present policy in the matter of subventions for the maintenance of certain runs to the more isolated areas, when they are required. Confusion exists as to what areas of responsibility in this field lie between the federal and provincial authorities. I could go into the details of particular examples, Mr. Speaker, if I wished to take the time of the house to do that.

Therefore, Mr. Speaker, I feel that in this situation it is perhaps more necessary than ever, at least for the matter of the protection of the existing operations and the existing lines, that they be brought under the orderly regulation that applies in other transportation fields, whether they be railways under federal jurisdiction or bus lines operating under the jurisdictions of provincial public utility commissions. If the provisions set out in my bill were adopted, it would mean that a realistic appraisal of this whole situation could be made and it would have the responsibility of being made by a public body set up by parliament, namely the board of transport commissioners. The question of subventions, where they were required, could be properly dealt with as part of the general pattern of establishing adequate transportation by water to supplement the other forms of transportation as they come into existence from time to time.

The whole problem along the coast of British Columbia has been different in many ways from that in any other part of Canada. I know that in years past various operators of various steamship lines in that part of Canada have objected to being brought under any form of public regulation or control. I have always been rather at a loss to understand their reasoning in this situation, because it seems to me that in the field of transportation, where quite high capital commitments are involved in the establishment of adequate services, those who proceed to make that kind of investment should require and be entitled to some reasonable form of protection for their investment, so that once having established a run, provided they continue to give good service in accordance with public convenience and necessity, they would be able to carry on their business on a satisfactory basis and under an arrangement which would mean that their fare structure and freight structure would have some reasonable relationship to the costs of transporting goods to the consumer which apply in various other parts of the country.

The provisions of the Transport Act in the regulation of water carriers, and the way it is set out, basically apply only to the inland waters of the great lakes and the St. Lawrence system. There is another exempting section here which makes it non-applicable to coastal transportation on the Atlantic coast, but I would like to point out to the house that on the Atlantic coast the situation is completely different, for at least two reasons. One is that because of the multiplicity of small provinces on the Atlantic coast—that is, small geographically—the federal responsibility for interprovincial traffic enters into the picture; second, the publicly owned railway in Canada, partly under the terms of union with Newfoundland but in other fields in addition to that, has accepted a responsibility for the maintenance of a reasonable pattern of coastal steamer traffic on that part of the continent.

Therefore, Mr. Speaker, I believe that this situation in British Columbia is peculiar and for that reason I have confined the terms of my bill purely to that situation.

Mr. Deputy Speaker: Order. I regret that I have to interrupt the hon. member, but his time has expired.

Mr. Barnett: I have one more sentence, Mr. Speaker. I thought it was a little after ten minutes past five when I was allowed to speak.

Some hon. Members: Carry on.

Mr. Barnett: I was going to say, in conclusion, that I have tried to present my argument for the basic purpose of the bill, but I realize there are a good many technical complications in this field. As far as I am concerned, it is the kind of subject that could appropriately be considered by a standing committee of the house, and I would be more than happy to see this bill, after acceptance in principle on second reading, go to the appropriate standing committee of the house for detailed consideration.

Mr. Grant Deachman (Vancouver Quadra): Mr. Speaker, for the last 20 minutes I have listened with a great deal of interest indeed to the remarks of the hon. member for Comox-Alberni (Mr. Barnett) because, coming from the Pacific coast and representing a Pacific coast riding, I am aware, as he is, of the great importance of the inland waterway which serves the province of British Columbia, a considerable portion of the state of Washington, and stretches northward to the southern borders of Alaska. You may start below Seattle and sail northward for 1,000 miles on an inland waterway which comes upon the open sea only once for a brief time in that whole passage.

This great waterway is full of marine traffic to the extent that you are hardly ever during the whole voyage out of sight of another vessel of some kind ploughing up and down these inland passages. Moreover, this traffic not only covers the coast line itself, but the indented fiords along the coast, running many miles inland, reaching lumber camps, pulp and paper mills, fish canneries, Indian villages, and other settlements steadily growing and increasing in importance up and down the coast of British Columbia. This is a scene of which my hon. friend is well aware, and he, like myself and other members from British Columbia, is well aware how important is the domestic traffic on these great inland waterways to the people of British Columbia and to much of its commerce.

To give the house some idea of the extent of the traffic which moves along inland waterways, I should like to refer to a supplement to the 1963 annual report of the national harbours board which contains some interesting figures on this question. Turning to the figures for the port of Vancouver, the total domestic cargo tonnage for 1959—I am eliminating foreign cargo tonnage because we are discussing in this bill inland traffic, not overseas traffic—was 4,900,000 tons, or in round figures 5 million tons. In 1963 it had increased 2 million tons to a figure of approximately 7 million tons. That is the total inward and outward domestic tonnage.

If I may compare that 7 million tons of domestic traffic with the traffic in and out of the port of Montreal, in 1959 the figure was 7,700,000 tons approximately, and by 1963

it had moved up to 9,300,000 tons. Therefore the domestic traffic in and out of Vancouver compares very favourably, with a ratio of approximately seven to nine, with the port of Montreal, which gives some indication to the house of the extensive traffic which plies our inland coastal waters.

I want to turn for a moment to the figures for the port of Vancouver for passenger traffic, because my hon. friend mentioned them when discussing the shift in coastal traffic by vessels in the inland waters. I refer to these figures because this is a matter of considerable importance in plotting how traffic should be governed in the future under legislation such as that suggested by my hon. friend today.

In 1959 coast wise traffic in total numbers of passengers, again excluding foreign traffic, taking both landings and embarkations into consideration, amounted to 1,000,183. This number declined steadily until in 1963—and this figure is hardly believable—the number of passengers was down to 198,000. Some of that drop from 1,000,183 to 198,000 had to do with some changes in ferry service and the withdrawal of some of the old ferry services between Vancouver, Nanaimo and Victoria. But, as my hon. friend conceded, there has been a very marked decline indeed in coast wise passenger movements.

There has also been a comparable change in the number of vessel movements, and I want to refer to this for a moment because it is quite significant. I am sorry I have no comparative figures here, but coastal or inland commercial vessels, including fishery vessels, numbered 22,316 in 1962 and 19,325 in 1963. This is in terms of arrivals only. These figures give, I believe, some indication of the importance of this traffic.

In listening to the hon. gentleman's remarks I wondered whether or not it was wise to attempt further to regulate this traffic through a federal agency and to remove the regulation of that traffic from the area of provincial jurisdiction in which for the most part it now rests. It is this point to which I wish to come next. As this question is peculiar to British Columbia and has to do to some extent with the growth and direct development of British Columbia, I wonder whether or not we are wise in bringing this domestic traffic into the federal field in the manner suggested by my hon. friend.

Mr. Barnett: Would the hon. member permit a question at this point. Quite frankly, I am puzzled at his reference to this coastal traffic being within provincial jurisdiction. I wonder whether he could spell that out, because my understanding is that it is under no jurisdiction, except for steamship inspection and that sort of thing.

Mr. Deachman: I think this is quite true. This traffic is literally self-regulating today in the province of British Columbia. I might explain, although I am sure my hon. friend knows this, that the movement of ships, for instance, for use at pulp mills up and down the coast and for the movement of paper from the pulp mills down the coast to Vancouver and further to Seattle is done in two ways. Contracts are let for this movement at the beginning of the season. The job is put out to tender and the various barge operators on the coast contract with the operators of the mills or the shippers for the hauling of the paper and chips from the mills.

Mr. Barnett: Is not the hon. member aware that my bill refers only to the public carriage of goods and passengers? It has no relationship to the contract carriage of bulk goods.

Mr. Deachman: I am sure that the barges operated by commercial barging companies are classified as commercial carriers; that these carriers who contract for the movement of goods are in fact the carriers of the goods for the shipping company, and would thereby be classed as public carriers. I see my hon. friend shaking his head, but I do not know just how I could classify them. If a barge company, for example, is not in the special business of hauling pulp and paper, but is in a commercial business, then I believe that company would be classified as a public carrier. I believe it is a public carrier whether its goods are moved under a tariff or whether its goods are carried under contract.

I should like to go on and point out some of the features relating to the exemptions under section 12 of the Transport Act to which my hon. friend referred, and which I feel he rather skipped over. I do not want to leave this section without explaining it a little more fully. This is the one that deals with exemptions under the act. I quote from section 12, subsection 4:

> The provisions of this part do not apply in the case of ships engaged in the transport of goods or passengers,
>
> (a) between ports or places in British Columbia—

It was there that my hon. friend stopped early in his remarks. However, the section continues as follows:

> (b) between ports or places in Hudson bay, Nova Scotia, New Brunswick, Prince Edward Island, Newfoundland, and the gulf and river St. Lawrence east of the western point of the island of Orleans, or between any two or more places therein, nor does this part apply between any of such ports or places and ports or places outside of Canada.

Thus the exemptions which my hon. friend mentioned in explaining the act apply to the

west coast, to Hudson bay, to the east coast of Canada and to the lower reaches of the St. Lawrence river. In other words, what we are looking at here is not a section of the act in respect of the control of shipping which relates to seaborne craft at all. The section is specifically designed to cover lake vessels and the upper St. Lawrence reaches and in no way at all relates to traffic on the west coast, the east coast or in any of the salt waters surrounding Canada. I think this should be made perfectly clear as we consider this act which specifically relates to traffic on the great lakes, on the upper St. Lawrence regions and in no way relates to traffic on the British Columbia coast.

I want to move on a little bit to consider for a moment the changing nature of services on the west coast. My friend will remember that his area was at one time served by the old *Princess Alberni,* which called at his port and at other ports up the coast along the west coast of Vancouver island. A number of years ago this old vessel was suspended from service, I believe, and is probably running guns into Cyprus today or performing some other useful task. It is also true that about the time when this service was suspended a road was driven through from Port Alberni and people can now, for the first time go through to the Pacific ocean, even if they are not going on some business for the McMillan, Bloedel Company.

Mr. Barnett: Only if you are going at night or on week ends.

Mr. Deachman: I realize that the service is still not on a day to day basis; nevertheless my hon. friend has the privilege of representing a riding which has a road in it and now, for the first time, passenger cars and private individuals are enabled to travel out to the Pacific ocean. This is the only road in Canada that takes you to the Pacific ocean. The rest of us only reach the inside passage. One of the things that the withdrawal of these old vessels has accomplished, as new methods of transportation, has been the construction of a growing shift in the roadways which now reach out to the Pacific coast.

I suggest that if we had protected these old vessels by legislation, this new system of transport which now enables people to move freely in and out of Port Alberni would not be available now. I want to cite a further instance. The government of British Columbia, for which I hold no brief has done a rather excellent job in improving ferry services. This new ferry service to Vancouver Island, connecting with the riding of my hon. friend, has replaced the ancient and creeking machinery of the Canadian Pacific which formerly took a long time to render service to him and to the people of his riding. I suggest it was the competitive spirit of the people living on the coast and in British Columbia which felt that that was necessary to improve upon the facilities serving my hon. friend's riding.

Had the hon. member been able to get his bill through a few years ago, the cloak of protection would have been cast around the shaking shoulders of the old Canadian Pacific. These ancient vessels would still be plying back and forth across the Georgia strait. We would all be cursing and gnashing our teeth, wishing for something better, and talking about building tunnels and bridges. Instead of that, local competition has built new and good services. I suggest that we let her rip, my friend; let these people fight it out and provide better services. Put your faith in free enterprise. Turn your back upon socialism and march forward to victory.

Mr. Ron. Basford (Vancouver-Burrard): I enjoyed listening to the hon. member for Comox-Alberni (Mr. Barnett) explaining his bill, partly because I have certain connections with his riding. When I heard him discuss the early shipping in his riding, I was reminded of the fact I had the good fortune to graduate from one of the leading high schools in his riding which used to return an independent Liberal to this house.

Mr. Knowles: That is not what he called himself.

Mr. Basford: I am sorry to see that the riding of Comox-Alberni has fallen into such a bad way.

I enjoyed listening to my colleague, the hon. member for Vancouver Quadra (Mr. Deachman) conduct his spirited examination of the provisions of this bill. I particularly enjoyed his references to the area of the hon. member's riding and the west coast of Vancouver Island. I well know how dependant it has been upon coastal shipping. I considered that before debating this bill I should look at the explanatory notes to determine exactly what the hon. member wanted to do. Normally one can look at the explanatory notes of a bill to determine exactly what is intended and why it would be a good thing to pass the bill. But I find that these explanatory notes are rather sketchy and really do not set out what the bill is intended to do at all. They simply say:

> The principle of this bill is one that is recognized by parliament: namely, that public convenience and necessity may require public carriers of goods and passengers to be regulated.

It does not go on to state exactly what form the regulations will take.

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.

And being returned:

Mr. Speaker informed the house that the the Deputy Governor General had been pleased to give, in Her Majesty's name, the royal assent to the following bills:

An Act respecting the International Bridge over the St. Clair River known as the Blue Water Bridge.

An Act to amend the Customs Tariff.

An Act to amend the Estate Tax Act.

An Act respecting The General Council of the Canadian Branch of the St. John Ambulance Association.

BUSINESS OF THE HOUSE

Mr. Speaker: It is my duty, pursuant to provisional standing order 39A, to inform the house that the questions to be raised at ten o'clock this day are as follows: (1) the hon. member for Lapointe: transfer of administration of Eskimo affairs to the province of Quebec; (2) the hon. member for Pictou: proposed removal of C.N.R. agent from Westville, Nova Scotia; (3) the hon. member for Kootenay West: disposition of unfilled portion of Gunnar mines contract.

It being six o'clock I do now leave the chair.

At six o'clock the house took recess.

AFTER RECESS

The house resumed at 8 p.m.

BANK ACT—QUEBEC SAVINGS BANKS ACT

EXTENSION FOR ONE YEAR OF AUTHORITY TO CARRY ON BUSINESS

The house resumed consideration of the motion of Mr. Gordon for the second reading of Bill No. C-98, to amend the Bank Act and the Quebec Savings Banks Act.

[*Translation*]

Mr. Guy Marcoux (Quebec-Montmorency): I am sorry, Mr. Speaker, but we are not ready to accept this measure immediately, in view of the fact that, this afternoon, within five minutes, the house passed Bill No. C-99, thereby voting an amount of $8,837,000 and some odd dollars, and that, according to the Bank Act, that amount only represents a cash reserve of $883,700 on the part of the chartered banks. It may then be realized that, before extending the application of the Bank Act and the Quebec Savings Banks Act, the Bank Act must be explained to certain hon. members.

We have raised that question many times, and several hon. members said the Social Crediters were talking through their hats. However, I am under the impression that several hon. members have never read the Bank Act and that they have no idea of what its consequences might be.

That is why I feel that those who may not be familiar with the Bank Act should be told what it is all about, and it is for their information that I will say a few words about it. I can assure the house that in doing so I have no intention of delaying either the passage of this bill or any other business of the house. But since we are especially interested in chartered banks, I thought I should say a few words at this time.

Mr. Speaker, I should like to call the attention of the house on the following quotation of Pius XI's encyclical Quadragesimo Anno:

In the first place, then, it is patent that in our days not alone is wealth accumulated, but immense power and despotic economic domination is concentrated in the hands of a few, and that those few are frequently not the owners, but only the trustees and directors of invested funds, who administer them at their good pleasure.

Mr. Speaker, perhaps it would be appropriate to call hon. members' attention on chapter 48 of the 1953-54 Statutes of Canada, 2-3 Elizabeth II, and to read the definitions given under the heading "Interpretation". I am sure they would be quite surprised by what they would find out.

I should like to point out that this has to do with the legislation on banks and banking operations, but I must say that the Bank Act and the Quebec Savings Banks Act are two different things entirely. As a matter of fact, the Bank Act is recorded in chapter 48 while the Quebec Savings Banks Act is in chapter 41 of the same statutes.

And here is what can be found in section 2 of chapter 48: "agricultural equipment", "agricultural implements". And then the definition of a bank follows. Subparagraph C of section 2 says:

"Bank" means the bank to which this act applies.

And then it goes on with the definition of various terms used in the Bank Act, such as "bill of lading", "branch", "corporation controlled by the bank", "farm", "farm electric system", "farmer", "fish", "fisherman", "fishing", "fishing equipment and supplies", "fishing vessel", "goods, wares and merchandise",

"grain", "hydrocarbons", "inspector", "live stock", "manufacturer", etc.

That means that the Bank Act is quite clear and that we are justified in wondering from the beginning what is the purpose of all those definitions.

Mr. Speaker, when we, members of the Social Credit party, say that chartered banks can create credit, that is do something with nothing, when we say that chartered banks can create credit which is 10 or 12 times the amount of their cash reserve, we are told that we talk through our hats.

And yet, if one refers to section 71 of the Bank Act, one can read the following:

The bank shall maintain a cash reserve in the form of a deposit with the Bank of Canada and of Bank of Canada notes held by the bank, and such reserve shall be not less on the average—

—and please note that it does not say more,

—shall be not less on the average during any month than 8 per cent, or such other percentage as may be fixed by the Bank of Canada under the provisions of the Bank of Canada Act.

The chartered banks legislation refers to the Bank of Canada Act, so that we have to consult another act to know exactly the problem of the cash reserve of chartered banks.

And if one looks up the Bank of Canada Act, which is chapter 13 of the 1934 statutes, one can see that section 24 deals with the reserve chartered banks must maintain.

Mr. Speaker, I shall not read everything which concerns this matter, for there are two pages.

In 1954, the act was amended under chapter 33, and section 11 says:

Section 24 of the said act is repealed.

This means that everything in section 24 was repealed, everything concerning the provision of fixed cash or numerary reserves was eliminated because section 24 had been repealed.

Section 28 is repealed and replaced by the next section which becomes section 24. That section mentions a reserve to be maintained by the banks—and this, Mr. Speaker, is in the Bank of Canada Act, not in the Bank Act concerning the chartered banks.

It is very easy to compute the amount of numerary reserves to be held by the banks; I can immediately prove it by quoting subsection 2 of section 71:

For the purpose of determining the amount of the cash reserve required to be maintained by a bank during any month,

(a) the amount of its deposit liabilities payable in Canadian currency shall be the average of such deposit liabilities at the close of business on Wednesdays in each of the four consecutive weeks ending with the last Wednesday but one in the preceding month,

(b) the amount of Bank of Canada notes held by the bank shall be the average holdings of such notes at the close of business on Wednesdays in each of the four consecutive weeks ending with the last Wednesday but one in the preceding month, and

(c) the amount of its deposit with the Bank of Canada shall be the average amount of such deposit at the close of business on each juridical day of the current month.

I know that many members of the house are experts, but it is really difficult to know what are the average cash reserves the chartered banks are supposed to keep. However, they are well protected by the law, I may assure you.

(3) If the property and assets of the Bank of Canada are insufficient to pay its debts and liabilities and the Bank of Canada suspends payments of any of its liabilities, the deposit made under this section by every bank is hereby guaranteed, and the governor in council, on the recommendation of the minister, shall authorize payment out of the consolidated revenue fund of such moneys as are necessary to implement the guarantee.

That is why we have been saying that the banks have discretionary powers, incomparable powers. We would like to see this act amended in some way, so that the people are dealt with a little more justly.

Now, you know what a bank is: the act tells us "Bank means a bank to which this act applies".

What are the powers and business of the banks?

I read this in section 75, and you will see it is very important:

The bank may
(a) open branches;

It is a great privilege and it is very convenient for banks to open branches.

(b) acquire, deal in, discount, and lend money and make advances upon the security of, and take as security for any loan or advance made by it, bills of exchange, etc—

I shall not go any further, Mr. Speaker, but I meant to show that the banks are entitled to make loans from 10 to 12 times the amount they have as a reserve in cash on deposit in the Bank of Canada.

The law says so; it is neither us nor even Messrs. Towers, Rasminsky or Coyne. It goes to show that banks have extraordinary powers.

Do you think it would be to one's advantage to be a director of a chartered bank? It could be, because according to the Directory of Directors published by the *Financial Post* of Canada for 1962, people of very good families, of very good reputation, are chartered bank directors and, at the same time, probably by accident, control more or less directly many companies. I will not quote the whole Directory of Directors, it would be too long and, besides, my time would not suffice. However, I will read the names of some very

decent persons who have succeeded well in business, and I would have done the same thing if the opportunity had arisen.

For instance, in the Bank of Montreal there are: Hon. C. Wallace, director of the Bank of Montreal, who partially controls 16 companies; Hon. H. de M. Molson, also director of the Bank of Montreal, who partially controls nine companies; Hon. Sir Leonard Outerbridge, who partially controls two companies; Hon. James Sinclair, who partially controls seven companies; Hon. Leslie M. Frost, who partially controls eight companies.

For the Bank of Nova Scotia: Hon. E. Asselin, who partially controls 11 companies; Hon. S. A. Hayden, who partially controls six companies.

For the Canadian National Bank: Hon. J. M. Dessureault who partially controls five companies; Hon. F. Philippe Brais, who partially controls 14 companies; Hon. Jean Raymond, who partially controls 32 companies.

For the Canadian Imperial Bank of Commerce: Hon. G. P. Campbell, who partially controls 37 companies; R. H. Winters, who partially controls 20 companies; Hon. G. B. Foster, who partially controls 35 companies; Hon. J. V. Clyne, who partially controls five companies; Hon. F. M. Ross, who partially controls four companies; Hon. C. C. Pratt, who partially controls 15 companies.

For the Royal Bank: Hon. Paul H. Bouffard, who partially controls 19 companies.

For the Toronto-Dominion Bank: Hon. J. A. Mathewson, who partially controls ten companies.

For the Provincial Bank of Canada: Hon. J. Olier Renaud, who partially controls five companies; Hon. Gérald Martineau, who partially controls seven companies; and formerly, Hon. Lionel Chevrier, who partially controlled three companies.

That was taken from the Directory of Directors for 1962. I checked the 1963 edition: the name of Mr. Lionel Chevrier has been deleted; the name of the Hon. Louis S. St. Laurent, who controls Famous Players Corporation is there, but no mention is made of the fact that he is a director of that company.

However, the 1963 edition mentions Mr. Roger Létourneau, big fund raiser of the Quebec Liberal party, director of the Bank of Montreal and associated with nine companies; Mr. Peter Nesbitt Thompson who was secretary treasurer of the Quebec Liberal federation and who is director of 49 companies, excluding the Canadian Oil Co. that he sold to American interests. Moreover, we saw yesterday or the day before that he had just been appointed director of the Greater Winnipeg Gas Company. Finally, there is Mr. Renault St. Laurent, son of the Right Hon. Louis St. Laurent, who is director of the Canadian National Bank and who plays a part in the control of the destiny of ten other companies.

Mr. Speaker, as you can see, it is rather important to know where the privilege granted by the Bank Act, the chartered banks act and the Bank of Canada Act can lead.

As Pope Pius XI stated:

> That is how in a manner of speaking they pump blood into the economic organism whose life they hold in their hands in such a way that without their consent no one can no longer breathe and only the strongest survive.
>
> That is to say that the ones who are most determined in the fight are those who are less hampered by their conscience.

The issue is quite serious and the people cast the chain of their own enslavement because they are unaware of the power of high finance.

It is all very well to speak of planning, state control, crown corporations and what not, but no effort is made to find out the true causes of the problem.

Lately, a federal member pointed out to me that the Russian revolution, which took place in 1917, was quite satisfied with the banking system for many years since banks were only nationalized in 1935. It goes to show that even under a socialist or communist system banks are still sufficiently strong to keep on controlling the economy.

Some statements in the Porter commission's report are, to say the least, unfounded. In the first place, on pages 112 and 113, it is stated that banks create credit. We see it repeatedly written in legislation. People say it is not true. But, we see it in the Porter commission's report; not bad, for a start.

> It is further stated that, with the exception of existing chartered banks, banking institutions should be allowed to make unsecured loans to individuals and enterprises in addition to loans secured under section 88.
>
> Those amendments would increase competition and, at the same time, give the institutions more freedom to specialize as they see fit, thus improving at lesser cost their services to the community as a whole.

Without entering into an argument, I should like to say that such a reason is absolutely false and inadmissible.

This is what was said about cash reserves:

> Perhaps it would be appropriate to reduce them a little further.

About foreign banks in Canada, it says:

> It would be possible to have regulations to prevent foreign banks to assume control in Canada.

That is to say, we could see to it that they do not take over Canadian banks.

And the commission recommends:

> That any purchase of shares in Canadian banks by foreign banks be subject to approval by the treasury board.

It considers abnormal that the government exercises no control whatever on purchases made by foreign banks, whereas it forbids or at least regulates such action by Canadian institutions.

Therefore, as you can see, Mr. Speaker, the question of extending by one year the application of the Bank Act is extremely important. I understand the banks would suspend their banking operations on July 1 if the bill is not passed. I can tell the Minister of Finance (Mr. Gordon) right now that it will be accepted, because it is a *fait accompli*. We keep. accepting accomplished facts in this House of Commons. We pass postdated bills, so to speak, for expenditures made six months ago.

We agree with the new legislation, but we want the hon. members who did not have time to examine the Bank Act to know right away that, when the time comes to really amend that act, we shall come forward with very strong arguments and, above all, we will not let the legislation pass if some of our recommendations are not accepted.

The Porter commission report also says this:

The commission thus maintains it would be beneficial to the economy if the interest rates asked by the Farm Credit Corporation and the industrial development bank were to follow more closely the rates on the financial markets, so as not to cripple the operations of private lenders.

Mr. Speaker, those agencies were established by parliament to assist the farmers, large and small, in short, to help farmers and industrialists with an average capital benefit from capital funds at a reasonable interest rate.

The Porter commission—and I shall not give the names of its members, because anybody can find them in the new book just published on the subject, but some of them are bankers—the Porter commission, as I say, is asking that interest rates be raised. Of course, the role played by those organizations then becomes worthless, if the recommendation of the Porter commission is carried out.

The Porter commission also points out:

—that the financial situation of the provinces and of most of the municipalities is generally sound in spite of their substantial deficits in the last few years.

Is that logical? They have experienced in the last few years substantial deficits, but their financial situation is sound.

Some small municipalities have greater difficulties in getting funds than their financial situation could warrant.

That is for sure. Montreal, Toronto and few other large cities excepted, there is hardly one single municipality in a borrowing position.

It says here some small municipalities but I think that we could easily change "some" to "thousands".

But the provincial governments could often remedy that situation in helping them to supply a more complete and more up to date information for the securities purchasers.

Here, it is practically suggested that municipalities resort to some advertising; but municipalities such as that of Saint-Marc-des-Carrières, Beauport or others are unable to do so because they cannot get any credit.

So, as I said, I find that the report of the Porter commission contains some recommendations which are unacceptable.

I shall not go any further in this field. But I would simply like to quote an excerpt from the speech made by the hon. member for St. Maurice-Laflèche (Mr. Chrétien), on May 12 last, as reported in *Hansard*, page 3186, when the hon. member for Shefford (Mr. Rondeau) asked him why the recommendations set forth by the royal commission on banking appointed in 1944 had not yet been put into practice. The hon. member for St. Maurice-Laflèche then answered as follows:

I am pleased to answer this question of the hon. member for Shefford. A commission can make recommendations that the government may find unacceptable. And when we have responsible government like the one we then had, it is possible that it decided not to accept them in the political climate that prevailed at the time.

I hope and trust that many recommendations of the Porter commission will not be accepted as they stand now, because that would be detrimental to the Canadian people.

Now, as for the power of banks to create credit, that power is given to them, not alone, but with the power to charge interest also. The fact is that the Canadian government itself is faced with an extraordinary problem, because it has a considerable debt and it must pay fantastic amounts in interests alone.

In the first volume of Public Accounts of Canada for the year 1963, it is said that the amount paid in 1962-63 was $881,598,898 in interest alone.

Now we know that the deficit for that same year amounted to $691,632,927, which means that we paid $200 million more than the debt interest deficit. That is, if we did not have any interest to pay to the banks, we could get rid of our deficit and register a surplus of $200 million for 1962-1963.

Now, some hon. members are saying: If our financing was without interest, it would get us nowhere.

Well, Mr. Speaker, if this is the only thing that worries them, we are ready even to accept that the government pay some interest —I, at least, am ready to do so; but let the government pay it not to individuals, not to

those who are living from interest paid on money loaned, but to the Canadian people. There would not be any problem then, and we could pay 6 per cent, except that the money would return to the consolidated fund of the Canadian government.

Therefore, if that is enough to make it clear to people that they should use the money of the Bank of Canada, we are willing to make this concession and to accept that the interest be paid to the Canadian people.

I shall now revert to the matter of interest. The interest of the federal government is one thing, but there is also the interest paid by municipalities. In my own city of Beauport, as reported in the newspaper *L'Action* of March 21, 1963, the debt charges cost $184,600, which means that the percentage of the debt compared to the estimates is 41.76 per cent.

It is strange that 41.76 per cent of taxes paid by individual taxpayers are used to service the debt.

As recently as May 8, 1964, I read in *Le Droit* of Ottawa that the budget of the municipality of Eastview included $262,200 for debt service. Those are fantastic amounts given to people creating credit. This credit is not provided by means of some people's savings so as to benefit others, but it is created out of nothing and made available to other people. In doing so, they make a profit.

Now, the report of the Porter commission maintains that:

> About 30 per cent of the credits of $100,000 or more granted by the banks at the end of 1962 were for the benefit of their directors, or of firms or companies in which they were also shareholders or directors, or of borrowers of whom they were surety.

Mr. Speaker, we can see that our system is well organized and, from memory, I could quote an export insurance company—you know that the government votes amounts for an insurance company to guarantee the payment of exports—which is now and has been for some years under the control of the chartered banks. This means that the chartered banks create credit and make loans which the people will have to repay. This is why they are sure that this amount will be paid, for if foreign countries refuse to pay, the government guarantees to them the payment of the amount involved.

I do not wish to dwell any more on the subject, for there are so many things which could be said. I simply wanted to show the members of the house who cannot conduct research that there are perhaps in the position we take justifiable points. If others wish more detail, they may ask questions. As far as we are concerned, no doubt we shall revert to the matter when the chartered banks act is introduced next year.

Mr. Maurice Côté (Chicoutimi): Mr. Speaker, I have to congratulate my colleague, the hon. member for Quebec-Montmorency (Mr. Marcoux), whose very explicit statement may, I believe, have opened the eyes of many hon. members.

Under the circumstances, I feel that it is reasonable to pass this legislation now under consideration, the purpose of which is to amend the Bank Act and to extend for a year, that is up to July 1, 1965, the privilege of the banks to issue currency, that is to create *ex nihilo* the credit which is the only currency now in circulation in Canada, because even bank notes and metallic currency are bought at the Bank of Canada with a mere draft drawn on their account at the Bank of Canada and accumulated through credits previously created.

We are in favour of this bill, because it is absolutely necessary for all hon. members to have enough time available for a thorough study of our Canadian banking system. Yet, they all must co-operate and, first of all, get rid of their prejudices, and lift the veil of mystery which covers the Canadian monetary system. How many hon. members have actually conducted any research in depth with regard to the historical background and the evolution and operation of our financial system? Their number is certainly very restricted.

A year would hardly be too much to enable all hon. members to contribute as individuals to the improvement of our banking system. I would, indeed think it extremely desirable for all Canadians together, putting aside all political considerations, to come, a year from now to the conclusion that it would be fitting for the Canadian government to recover the royal privilege which never should have been ceded, when the Bank Act was amended in 1870 and in 1871, and which maintained for the chartered banks the special privilege of printing bank notes and issuing credit.

In reality, the issuance of credit is a sovereign power lent to the commercial banks, but the time has come for the federal state to recover that right to issue credit through the Bank of Canada.

With confederation, the provinces gave to the central government the exclusive right to legislate in monetary matters. Why did the federal state, even after the setting up of the Bank of Canada, leave to a private sector of our economy, that is to the chartered banks, the prerogatives of bank credits. That is something absolutely inconceivable that the most important operation, the issuance of credit or the creation of new money, be left in the hands of chartered banks.

Only parliament has the power to amend the chartered banks' act and that is why,

even if in a year's time, we passed only one item of legislation giving back to the Bank of Canada the absolute power to issue credit, to coin the resources of Canada for the benefit of all Canadians, it would be infinitely better than a great number of meaningless pieces of legislation passed these last 25 years, because they only evaded the problem of a stagnant economy and a galloping inflation.

Our monetary system is essentially inflationary in character. Canada cannot go on stagnating in a financial system that gives us deficit budgets, an exhausted treasury, monetary instability, continuous depreciation of our currency, lack of currency, exchange control, high cost of money, multiplicity of taxes, nuisance taxes, and finally credit anarchy. Whether it concerns a nation or a business, any sound administration must obey a rigid set of rules. For that purpose, we must regulate the financial activity of the country and also the national economic activity.

Someone just handed me a document showing that inflation does exist in most countries of the world at the present time. Even the common market has to declare war on inflation. Canada is not the only country faced with inflation; there is inflation in all countries which have adopted the same financial system. There is inflation in Brazil and also in other countries. The Minister of Finance is now waiting for something and I am under the impression that he is looking for new solutions to free the country from the financial trap which stifles Canadians. In his last budget, he stopped the increase of taxes, but for how long? I take this opportunity to tell the Minister of Finance that I support his policy aimed at freeing our country from foreign capital, and I prefer the nationalism of a Walter Gordon to the internationalism of Eric Kierans who, with the policy he advocates, is one of the worst masters of the inflation and depreciation of our currency.

Nationalism is not an exaggerated desire for power, but on the contrary it is the will to maintain and develop what is necessary to the life of the community.

Mr. Speaker, from the end of 1954 to July 1, 1963, monetary inflation increased in a dangerous way. Indeed, during that period, borrowings on foreign financial markets by municipal, provincial and federal governments as well as by private companies totalled $5,140 million. During that time, foreign investments in Canada reached $13,950 million.

Furthermore, if we add to those amounts, the amount of the new credits issued by chartered banks during the same period, amounting to $5,248 million, we have a grand total of $24,338 million of debt money put into circulation in Canada over a period of eight years and six months. That is aberration at its worst. On the other hand, when an economic system needs artificial means to function, it is basically unsound, and this bill will give us ample time to rectify the matter. Statistics on consumer credit show that, at December 31, 1963, there were $6,604,000,000 in loans to finance consumer goods. That figure does not cover instalment purchases, accounts and credit cards of all kinds.

It is by hundreds of millions of dollars that chartered banks create credit for the loan companies which finance consumption. In addition, they must also finance consumption themselves, because consumers do not have enough money to buy goods. That is a new factor which contributes to disastrous inflation in our country. It is precisely in such circumstances that violent economic crises occur; if that is so, it is because instead of merely financing production, an artificial purchasing power is based on the hope of meeting monthly instalments rather than on the true purchasing power at the time of purchase or on previous savings. Indeed, that is a frightening situation if you consider the interest rate on all those consumer loans.

That proves once again the necessity of amending the Bank Act, because when a country such as Canada cannot give a lasting value to its currency, cannot balance its budget and only succeeds in increasing its debts, it is easy to see that we are going around in a vicious circle.

Financial balance and the stability of monetary value can never be achieved as long as parliament does not give the Bank of Canada, this bank of banks, the regalities which it should have logically and naturally, and as long as a distinction is not made between social investment expenditures or public investment expenditures, which provide the funds required for the national equipment, and the commercial capital meant to boost the agricultural, industrial and commercial activities.

Thus, thanks to the bill which is now before us, we will be able to prepare within a year the necessary monetary reform. It will then be possible to achieve such a reform quite easily by amending the Bank Act in such a way as to provide that henceforth the Bank of Canada would have the privilege of creating credit. It would not be more difficult than that. Thus, any credit would be based on values under the control of a national credit

council with representatives from the Bank of Canada, the major financial institutions, including the credit unions and the major intermediate agencies.

As for the methods of application of banking practice concerning the rediscount of banking instruments which could be granted to all banks and credit unions—and I insist on that—that is a matter of internal administration that the national credit board could change. However, I wish to point out that the maximum interest rate on loans made by banks as well as credit unions, should never, under any circumstances, exceed 5 per cent.

I add that the Bank of Canada would be authorized to grant credit without interest or at cost to the government of Canada for the financing of public capital works or social services, always under the control of the national credit board, so that those treasury operations could be made according to criteria corresponding to statistics. That procedure would be a scientifically controlled release of purchasing power directly to the public and would constitute a reversal of the monetary circulation to finance consumption. In our present system, credit is generally issued in order to finance a new production, while there is no money in circulation to buy the former production.

From now on the Bank of Canada would look after the financing of treasury bills, if any, at administrative cost.

Finally, the municipal credit bank, connected with the Bank of Canada, would replace the municipal loan fund and would grant loans to municipalities at administrative cost, accepting their bonds as security. It would be a very simple machinery which would upset nothing and which would put everything back in order, allowing the economy to operate smoothly.

What would result from the implementation of those financial proposals? We would witness a gradual decrease in municipal taxes, a reduction of federal and provincial taxes, a revalorization of our currency and, finally, a drop in the cost of living. The various governments would be able to balance their budget. There would be work and income for everyone, and coercion and centralization under any form would disappear.

If, on the contrary, the federal government maintains its policy of impoverishment of the Canadian people and of depreciation of all our values, there will no longer be any hope of establishing a truly binational confederation, and the federal administration will remain under a financial tyranny when it could become free so easily.

[*Text*]

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

On clause 1—*Duration of authority to carry on business.*

Mr. Gordon: Mr. Chairman, the hon. member for Edmonton West asked if clause 1, section 6(b), meant that in the event that parliament did not sit for 20 days during the month of June, 1965 the provisions of this act would apply for 60 sitting days following the first of July, 1965. That is correct.

Clause agreed to.

Clause 2 agreed to.

Title agreed to.

Bill reported.

Mr. Deputy Speaker: When shall the said bill be read the third time? Now, by leave?

Some hon. Members: By leave.

Mr. Gordon moved the third reading of the bill.

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

TERRITORIAL SEA AND FISHING ZONES

LEGISLATION RESPECTING TERRITORIAL WATERS AND FISHERIES LAWS

The house resumed from Wednesday, May 20, consideration of the motion of Mr. Martin (Essex East) for the second reading of Bill No. S-17, respecting the territorial sea and fishing zones of Canada.

Hon. J. A. MacLean (Queens): Mr. Speaker, at five o'clock yesterday, when this item was last up for consideration, I was nearing the end of my remarks, but I referred to statements which had been made during the last election campaign with regard to this very important matter of the protection of our coastal waters for the exclusive use of our fishermen, so far as that may be possible.

I note that these comments have gone back over the years, indeed over the last three election campaigns. Speaking in Yarmouth on March 14, 1958, the present Prime Minister was reported as follows:

> Mr. Pearson's most important proposal...was a strong endorsement of the extension of Canadian territorial waters from the present three mile limit to 12 miles. This would offer Canadian fishermen much greater protection from foreign fishing vessels.
>
> He said that in spite of the fact both Britain and the United States are opposed to it Canada should continue to press for this extension due to the international conference next fall.

I do not know to which conference he could have been referring, because when that statement was made the very important law of the sea conference of 1958 was then going on in Geneva. You will recall, Mr. Speaker, that the two conferences on the law of the sea took place in the intervening period between that and the 1962 campaign, one in 1958 and one in 1960, and in the interval the government of the day was trying by every means possible to reach agreement so that we might extend our exclusive fishing zones.

As I have already said, this business of legislating with regard to nationals of other countries on what we admit is part of the high seas, is a very questionable procedure. I reiterate that I hope it will succeed, but it is a difficult thing unless we have the cooperation and agreement of some of the most important countries involved which have a stake in this matter.

I shall try to keep my remarks as brief as possible, but I would like to point out that this became a political issue, or attempts were made to make it a political issue. With reference to the 1962 election campaign, reporting a speech that the Prime Minister made in Charlottetown, the Toronto *Telegram* said:

> He also made his first formal promise of the campaign. A Liberal government, he pledged, would institute a 12 mile limit (to replace the existing three mile limit) unilaterally, if a 12 mile limit could not be achieved through nternational agreement.

This was repeated many times, and an attempt was made to create the illusion in the minds of those listening to these speeches that if the present Prime Minister were granted the magic power of being Prime Minister, all he had to do was wave some magic wand and all these foreign vessels would disappear over the horizon and never be seen again. It was as simple as that.

For example, speaking in Sydney during the last election campaign in 1963 he said:

> —we as a Canadian government will declare a 12 mile limit by national action...I'm not afraid of this step—the present government is.

Mr. Speaker, the former government, referred to in that context as the "present government", was not afraid to take action. I must say I have great respect for bravery, but I have learned over the years to have great misgivings about foolhardiness and it would be a terrible mistake if, by doing something brash, we antagonize our friends to the point where they would make it as difficult as possible for us to attain our objectives.

These speeches by the Prime Minister went on indefinitely, and I think they were unfortunate because an attempt was made to create the impression in the minds of our fishermen that a 12 mile zone could be set aside exclusively for their own use. This is virtually an impossibility because there are a number of treaty rights and other things which have to be taken into consideration.

In this connection, when the Prime Minister's formal pledge was first made in 1962, I read this quotation from a report of the occasion:

> During supper in Charlottetown, the Liberal leader read over his speech for that night and added a final paragraph. It was a tricky ending for a political address—a few sentences on political morality reinforced with quotes from Wesley and a modern Catholic philosopher and theologian—but it worked beautifully.

I must say it did not work because the people I represent are shrewd, and they were not taken in by this. I am not sure to which Wesley he was referring. It may have been a former member, Mr. Wesley Stewart. On the other hand, if he was talking about John Wesley, I am sure John Wesley must have turned over in his grave when that statement was made.

Mr. Knowles: Maybe it was John Wesley Pickersgill.

Mr. MacLean (Queens): That would figure. Now, Mr. Speaker, I want to conclude because I know there are other members who wish to participate in this debate. I am not even attempting to mention a number of important factors, such as the problem of enforcement that may be involved, but I am sure this will be covered by other hon. members.

I am pleased that the Secretary of State for External Affairs indicated that the bill would be referred to the standing committee on marine and fisheries. I think this is an important piece of legislation which should be examined thoroughly by the committee and I welcome the expression of intention in this regard. However, I want to say this: A promise was made by the party now in power that within a year a 12 mile exclusive fishing zone would be instituted. An attempt was made to imply that this 12 mile zone would be for the exclusive use of Canadian fishermen. What is the state of affairs? Legislation is being brought in at this time, but because negotiations are still continuing we do not know what concessions we shall have to make to other countries in order to get their acquiescence in this. Both the minister and the Secretary of State for External Affairs (Mr. Martin) are reported to have said in Washington on December 5, 1963—I have a report here which perhaps I could read:

> Both External Affairs Minister Paul Martin and Fisheries Minister Hedard A. Robichaud said here yesterday that historic rights of United States

fishermen will not be affected when Canada establishes a 12 mile national fishing zone as it is proposed to do next mid-May.

I do not always depend completely on the accuracy of such reports, but there is no doubt about it that France and the United States have treaty rights which will have to be respected. So we shall have these exceptions. Then there are the traditional fishing rights of a number of countries. We do not know where we stand with regard to these, or at least I do not, because the negotiations are still going on. But I should be surprised if we were not obliged to make considerable concessions along the lines of a phasing out period. This, too, will be in the nature of an exception to the suggested exclusion.

Moreover, until the orders in council establishing the geographical co-ordinates are passed we shall not know where the base line is to be or what bodies of water will lie behind them and thus become national waters. I think this is bad practice. It is unfortunate that the effect of the bill which, after all, is the important thing, will occur at some time in the future when the government will not be obligated to bring the matter before parliament. It will be a *fait accompli.* Not until the negotiations are complete and the government is ready to pass the order in council will we know the effect of what we are doing now. We are buying, as it were, a pig in a poke. We do not know what concessions we may have to make in order to get any agreement at all.

My final point is this: The law itself, of course, will not become effective until its proclamation and no fixed date for proclamation is given in the bill. We have no means of knowing when this act is to be proclaimed and we therefore have no means of knowing when it will become effective. I hope that when the minister speaks he will be able to enlighten us on some of these points. When the act is proclaimed, the only effect it will have is to become a statement of Canada's determination to establish an exclusive fishing zone, with certain exceptions, out beyond our present territorial waters. Then, when the co-ordinates are established at a later date these will presumably have a bearing on what will become our national waters.

So I regret we are passing this legislation now. However, if it will strengthen the hand of the government in its negotiations with other countries we are willing to support it on that basis at this time. But a far more logical process, to my mind, would have been for the government to have completed its negotiations and then, based on what they had been able to do, to have brought a bill before us and told us frankly what had been the result of the negotiations and what concessions we had been obliged to make. Then we would know where we stood in the matter. This, in my judgment, would be far more acceptable from a parliamentary point of view. Under the present arrangement parliament is being asked, as it were, to sign a blank cheque and trust to luck.

I think, frankly, that the reason this is being done at the present time is to create the illusion that we have reached some special milepost—and we have not. I do not think so, anyway. These negotiations, as the government has found, are long and difficult; people who do not wish to agree can stall and keep coming back to negotiate again and again. It is slow progress. When the former government were trying to safeguard Canada's interests by negotiating patiently but actively in this field we were accused of not doing anything—of having no will to succeed in this endeavour. This was not the fact, and I deplore the situation which has brought about the somewhat premature presentation of this legislation to parliament. Nevertheless, on behalf of the official opposition I wish the government every success in these negotiations. We hope they will be fruitful. We have witnessed this spectacle of promises made in the heat of election campaigns. They sounded good—as if this was as simple a matter as could be imagined; as if when the present Prime Minister came to office all he had to do was say the word and these foreign fishing vessels would disappear over the horizon forever. Now we see the Secretary of State for External Affairs in the role of sorcerer's apprentice trying to make it appear as though we were achieving this result. That is the aspect of the legislation which I deplore.

I have only one further comment to make. No matter how successful we may be in these negotiations, even if we succeed in our objectives, there is a still more important factor yet as far as the fisheries, particularly in the Pacific, are concerned. I refer to the general problem of the conservation of the resources of the high seas. In this connection I should like to quote briefly from a statement made by a member of the Canadian delegation at the Geneva conference in 1958. The representative was Mr. Ozere, the present assistant deputy minister of fisheries, and I quote his remarks because what he says is self-evident when one is familiar with the facts of this matter. Here is the extract from the record:

Mr. Ozere (Canada) observed that, whatever understanding might be reached on the extent of the territorial sea or the contiguous zones, there would remain many problems affecting the conservation and management of sea fisheries which would not be solved by the simple formula of drawing lines in the seas. That was not to say that the adoption of an exclusive fishing zone would not be of definite benefit to those countries which, like his own—

That is, Canada:

—had developed their fisheries mainly along their own coasts.

That is the situation, exactly, as I see it; I think that states it well. I wish the government success in these negotiations and in the other inevitable negotiations with regard to the conservation and exploitation of the living resources of the sea.

Mr. T. S. Barnett (Comox-Alberni): Mr. Speaker, I should like at the outset to say that I agree with the views which have just been expressed by the hon. member for Queens (Mr. MacLean) about the weaknesses of this bill as far as the absence of any determination of the base lines that are to be fixed is concerned. He referred to the bill as being a pig in a poke, and I intend to say something further on that aspect of the matter later on in my remarks. I hope to find that the hon. member is prepared to support my contentions in this connection.

Actually, when this bill was introduced by the Secretary of State for External Affairs (Mr. Martin) with his usual verbosity and enthusiasm, I must say the thought that crossed my mind was that the bill was a bit like the proverbial bride's first cake. While it may be a little difficult to imagine the Secretary of State for External Affairs as the blushing bride rushing in with the cake to show it off to hubby, nevertheless that was the thought that crossed my mind as he was introducing this bill. The unfortunate thing, it seems to me, is that the Secretary of State for External Affairs and the government, in their hurry to produce this first cake have become a bit flustered and have left out of the bill, or the cake, a good many of the essential ingredients. In fact it seems to me there is really nothing in the make-up of the bill but flour and water, and therefore the result is really not much of a cake.

I certainly agree with the remarks of the Secretary of State for External Affairs and with those made by the hon. member for Queens (Mr. MacLean) as to the importance of the subject matter that is dealt with in this bill. A bill which has to do with the matter of the territorial sea and fishing zone of Canada is, in my view, a matter of importance not only to the people who live in the coastal areas of Canada but to the entire nation. Much has been said about the importance of the living resources of the sea in a world where the population is growing apace and where an increasing shortage of high protein foods becomes ever more evident. I think it is in the context of that kind of situation that at least the subject matter of this bill should be considered, even though in my view the importance of the bill which has been presented falls a long way short of measuring up to the importance of the subject matter.

The hon. member for Queens (Mr. MacLean) referred to the bravery of the present Prime Minister (Mr. Pearson) with regard to some statements he had made in the Atlantic areas of the country in reference to the declaration of a 12 mile fishing zone for Canada. As far as I am concerned, thinking back to the days when I was first in the house, when some of us from over here were advocating the desirability of a firm course of action by Canada in this connection, the brave words of the Prime Minister certainly represented a good step forward. But, of course, I am sure the hon. member for Queens (Mr. MacLean) will agree with me that from our experience and observation we always find that the Liberal party and its leader are much braver when they are in opposition than when they are on the side of the house to the right of Mr. Speaker.

Consequently, now that we have this bill before us we find there has taken place a considerable retreat from some of the bolder words that were uttered by the Prime Minister on the occasion to which the hon. member for Queens (Mr. MacLean) referred.

We in the New Democratic party have been attempting to follow all the recent developments in this situation as closely as we can. Reference has already been made to the United Nations conferences on the law of the sea in 1958 and 1960 and of the failure there to reach international agreement on this subject matter by the required two thirds majority in a vote. I am not going to expand upon that situation, except to say that it has, of course, made quite evident the fact that if anything is to happen in this context, some action along the lines of the declaration of the Prime Minister for the establishment of a fishing zone for Canada needs to be taken.

We have advocated that this action should perhaps have been taken earlier than it was, while recognizing of course that there is a great deal of need for international co-operation in this area. However, as far as we are concerned we believe that the real area in which international negotiation, international treaty and international understanding is required lies in the high seas problems as far as the fishery is concerned to a much greater extent than it does in connection with the establishment of a coastal fishing zone. We believe, also, that in the light of the action which has already been taken by a very larger number of the nations of the world, Canada certainly is well within her rights in taking a firm position in this connection.

During the period since this announcement was made by the Prime Minister, and since we have been informed in our questions to the Secretary of State for External Affairs

and to the Minister of Fisheries (Mr. Robichaud) that negotiations have been going on, we have been very much concerned as to the progress of these negotiations. We have been quite concerned that these negotiations appear to have become quite protracted. I am not prepared at the moment to pass any severe judgment upon the Canadian negotiators in this field because the negotiations have not been sooner brought to a determination, desirable though I feel that would have been; but during the period when we were addressing questions to the government on this subject we rather assumed from the answers that were being given to us—perhaps we took this too easily for granted—that the government would not be bringing any legislation before parliament on this subject until these negotiations were concluded. Obviously we wrongly assumed that this would be the case. Naturally we took it for granted that the government would expect parliament to have the substance of the matter before it before we were asked to approve legislation, so that at least we would be intelligently informed and would know what we were talking about.

Rather to my surprise I found that the legislation was being introduced in the other place and would only reach this house following consideration there. This certainly came as a surprise to me and in many ways served rather to mislead those of us who were particularly concerned in this matter, because we had assumed that this legislation would be introduced in this house, where it could be initially dealt with either by the Secretary of State for External Affairs or the Minister of Fisheries.

Some of the inadequacies of the bill have already been pointed out by the hon. member for Queens (Mr. MacLean). I will not attempt to repeat them in detail, but I think there is substance in the point he made to the effect that the real significance of this change in our territorial sea and fishing zones lies much more in where the straight base lines are established than it does in the nine mile fishing fringe which will lie outside the area designated as our territorial sea.

As far as I can see, in the absence of any determination of that matter all we are getting is a poor skeleton of a bill, something which really does not amount to much more than the pious declaration which has already been made by the Prime Minister of Canada's intentions. The fact that this bill as drafted leaves it entirely in the hands of the governor in council to take action as, when and if he sees fit, on the matter of establishing the straight base lines strikes at the very crux of the principle of the bill as I see it, because without it the main purport of the subject matter is meaningless to me.

The question of where these base lines will be established was not outlined by the secretary of state when he introduced this bill. I looked at the evidence given by the Secretary of State for External Affairs and the Minister of Fisheries before the banking and commerce committee of the other place, and as far as I could see from the evidence they gave there, there is no indication given of the intention of the government in this regard. It is true that appended to the minutes of those proceedings is a copy of the brief submitted by the fisheries council of Canada, in which is included a couple of maps indicating the desires of the fisheries council of Canada in this connection. While many of us may agree with the proposals of the fisheries council of Canada, we have had no indication that I recall whether or not the government intends that these base lines should be established either on the Atlantic coast or on the Pacific coast. When one couples that lack of definiteness with the fact that the bill not only provides that these base lines should be set by the governor in council but that they may be changed from time to time by the governor in council as he sees fit, then it appears to me that this present bill is completely unsatisfactory and inadequate.

The subject matter of the bill, as I said earlier, is in my view of extreme importance. It certainly requires a much greater and more detailed consideration in this committee than it received in the committee of the other place, where many of those who were most interested and concerned in this matter, including the commercial fishermen themselves, were not able to appear and express their point of view.

Mr. Robichaud: Would the hon. member permit a question. Is he aware that the group to which he is referring were given a week's notice to appear before the committee?

Mr. Barnett: Well, Mr. Speaker, I do not quarrel with the minister's statement on that matter and I was not expressing any view as to where the responsibility for the situation lies. However, seeing that he has mentioned this question of a week's notice, I do not feel that a week's notice on a matter of this importance is very adequate. If the minister is referring to the organized fishermen on the west coast he probably knows that at that time they happened to be involved in some rather important meetings on the matter of unresolved negotiations with which the minister is quite familiar. But as I say, I was not assessing any blame; I was merely stating the fact that their point of view had not been presented.

I find it increasingly difficult to understand the rather cavalier attitude which is being taken by the present government with regard to international treaties, particularly those relating to fishing. For example, during the last session I tried to bring to the attention of the house the fact that the international north Pacific fisheries treaty had been amended by the government without any proper notice being given either to this house or to the public of Canada through the medium of the Canada Gazette; that in fact the treaty had been amended as the result of a telephone call from one of the officials of a government department to Vancouver.

The government is now bringing in a bill on this very important subject while it says negotiations are still going on, no indication being given of a reasonable termination date. We are given no indication as to what is the likely outcome of the negotiations either in respect to where the base lines are going to be established or as to whether or not there is going to be any understanding, agreement or decision reached on a termination date to so-called historic rights of nationals of other countries. I gather from the evidence given in the committee of the other place that the government has no intention of attempting to renegotiate any of the treaty rights, although I do not consider that in itself to be as serious as this other question, because apparently the treaty rights are not as significant as they might have been a number of years ago. I do not know whether members from the Atlantic provinces would agree with that. Nevertheless this is the situation in which we are being asked to approve this bill, and I submit, Mr. Speaker, that it is simply not good enough for the government to expect parliament to take definitive action which, as the hon. member for Queens (Mr. MacLean) has already said, gives the government a blank cheque to do practically what it likes with regard to where the fishing zones of Canada are going to be. Not only the present government but any future government, if this legislation is passed, will be in the position of being able to manoeuvre and manipulate in this field without coming to parliament for approval.

So, Mr. Speaker, we in this party feel that this bill should not receive approval as it stands. I should like to move, seconded by the hon. member for Nanaimo-Cowichan-The Islands (Mr. Cameron):

> That Bill S-17 be not now read a second time, but that the subject matter thereof be referred to the standing committee on marine and fisheries for consideration and report.

If this motion carries it means that the marine and fisheries committee of this house, comprised largely of members who are most interested and concerned in this bill, will be in a position to say, after these negotiations are concluded, when progress reports can be made and to consider and assess what real progress the government is making in this field. If the committee is satisfied with the kind of progress the government has made, it will be able to bring back to the house definitive recommendations as to how a bill should be presented which would clearly set out the areas to be included in the internal waters of Canada and the fishing zones of Canada. We feel that unless this is done before we put anything into final legislative form, we have no guarantee that the rights and interests of the fishermen of this country are going to be adequately protected.

Mr. A. B. Patterson (Fraser Valley): Mr. Speaker, in rising to take part in the debate on this particular measure before us I want to say, first of all, that there are many very serious reservations with regard to it. So far as the general principle is concerned, which of course is what we are mainly considering at the moment, it should receive the support of hon. members. However, I can quite understand the hesitancy with which some members, especially the previous speaker, have approached this particular matter. They have voiced fears that if the measure were passed in its present form it would not, to any extent, meet the needs of our fisheries.

Looking back into the history of this particular matter, we are reminded first of all of a statement that was made by the Prime Minister (Mr. Pearson) about one year ago. He stated it was the intention of the government to declare the 12 mile fishing limit in May, 1964. Of course, we are now in May of 1964 and the measure is being presented. At that time comments were made with regard to the statement and it was pointed out in one news article that this was the fulfilment of another Liberal election promise. The article was quite complimentary with regard to this particular matter.

At that time also it was pointed out by others, for instance in the *Pacific Troller*, the January-February issue, and I quote:

> When the Minister of Fisheries, H. J. Robichaud, announced the government's intentions to declare a 12 mile territorial limit in May of 1964, the entire fishing industry was elated with the good news.
>
> The government's announcement was forthright and courageous; it heartened the fishermen's pride in their Minister of Fisheries and renewed our hope for protection from foreign exploitation of our shoreline fisheries which for Canadian fishermen represents practically their entire fishery.

We realize, as has been pointed out by the Secretary of State for External Affairs when he presented this measure, that there are currently about 50 nations that have extended

their limits and Canada is more or less following in the train of those other nations. I believe, therefore, we can welcome the introduction of the bill so far as the general principle is concerned. However, I do join with other members in voicing misgivings over a number of issues that are involved.

First of all, I would reiterate our regret over the continuing hesitancy to place the matter before the committee on marine and fisheries. We have an indication, in this particular instance, that the representations made by the fishermen's unions were not acceptable. As was pointed out tonight, they were not able to make arrangements in time to meet with the committee of the other place. I would suggest that during the past few months there has been ample opportunity for a meeting of the committee on marine and fisheries, even although this measure was not before us, and the fishermen's unions and other organizations would have had ample opportunity to make their views known with regard to the particular issues involved in the introduction of such a measure as this. I feel it is unfortunate that we have the measure before us without having had the opportunity of hearing representations from the fishermen's union and other interested parties.

There has been some discussion concerning the matter of historic fishing rights. As was pointed out by the Secretary of State for External Affairs when he presented this measure on May 20, as recorded on page 3411 of *Hansard,* there have been discussions with those countries which do possess pre-rights for parts of our shores, namely the United States and France. Then, he said:

> We have made clear that the United States and France will be allowed to continue to fish in those areas where they have fished before, subject to agreed arrangements and regulations for the protection of the fisheries concerned.

It has been emphasized, I believe, that there is no intention on the part of the government to alter historic fishing rights. This, it seems to me, creates somewhat of a paradox. In the June 7, 1963 issue of the Montreal *Gazette* there is one paragraph in an editorial which I should like to read:

> There has arisen a new anomaly. For the Canadian government, realizing the need for conservation, has prohibited Canadians from fishing under certain conditions. But foreign ships have been able to move in and fish as they please between the three mile and the 12 mile limit.

Then, the *Globe and Mail* for December 5, 1963, carried an article from which I should like to quote this paragraph:

> This would continue an incongruous arrangement in which Canadian trawlers are prohibited for conservation reasons from fishing in coastal waters which are open to foreign fishermen.
>
> Notwithstanding the conservation arguments made by Canada at Geneva, the Canadian government's method of relieving this inequity seemingly will be to ease the regulations affecting Canadian trawlers.

This points up the particular situation that seemingly is going to exist where at times Canadian fishermen will be deprived of fishing opportunities while other nations are able to move in and take advantage of them.

Strenuous objections have been raised by the united fishermen and allied workers union which represents a great many of the fishermen of the west coast. They have been very zealous in their representations on behalf of the fishermen and have raised strenuous objections with regard to this particular matter. In their letter of May 14, 1964 they state:

> We are absolutely opposed to Bill S-17 and call for its defeat unless it is amended to exclude all foreign fishermen from the 12 mile limit outside a base line which is clearly defined by legislation and not left to be defined or amended by secret orders in council.

In a news release issued by the united fishermen and allied workers union they also emphasize this matter very clearly and strenuously. Sometimes I think the intemperate language used by these organizations in making their representations is more likely to build up walls of resistance than to break them down, but none the less it does indicate how strongly they feel about some of these matters that are not covered in the measure now before us.

A distinction has been drawn between historic rights established by treaty and traditional rights established by traditional fishing practices. In this connection various views have been taken as to what should be done. For instance, the pamphlet, the *Pacific Troller,* to which I have already referred, calls our attention to this matter and has this to say:

> We do not know what precautions our government is taking to assure that those who might claim historic rights do not develop beyond their present fishery, which we feel should be the maximum annual fishery they should be allowed, nor do we know if precautions are being taken to control such fisheries if a breakdown in our fisheries occurs, or if such foreign fisheries will be subjected to such restrictions as will be applicable to our nationals.

Then they go on to make certain recommendations with regard to historic fishing rights:

> 1. That any recognition of historic rights the government may feel obligated to observe be confined to such species as have in the past been harvested by such claimants and further, that such parties be limited to their present annual harvest of those species, excepting wherein there may be an intermingling of anadromous types of fish to which another country contributes. In

such instances, there should be equitable consideration for the fishing rights of that country for those species in the areas involved.

2. That any recognition of historic rights should be subject to revision by Canada, for reasons of abuse of our fisheries and improper behaviour toward our fishermen.

3. That no permanent recognition be given to historic rights prior to a trial period of some years in which to assess the effectiveness and further complications of an extended fishing limit.

In concluding this statement they say:

Those who might claim historic rights offer nothing in return.

There we have one position. Another is that taken by the fishermen's union which, as I have already indicated, is that they are calling for the defeat of the measure unless it is amended to exclude all foreign fishermen from the 12 mile limit outside a base line which is clearly defined by legislation. This means, of course, complete and full operation of the restriction.

Again, as referred to in the discussion tonight, I believe, there are those who would subject the traditional fishing nations to a phasing out process whereby they would be given a certain length of time to change their pattern of fishing. I think this is a very important matter. I realize, of course, that discussions are still going on with those who have or claim to have traditional fishing rights. However, as has been pointed out by the fishermen's union, I would emphasize that there is no intention whatsoever to seek an amendment or change as far as the treaties are concerned under which some nations have historic fishing rights, and the union, of course, is taking very strong exception to that fact.

So I think this whole matter is one of great importance. We wish the minister well in all the discussions that are going on with other nations but we do urge him to seek in every possible way to assure the safeguarding of the rights of Canadian fishermen and the Canadian people as far as the fisheries of this nation are concerned.

There has been discussion tonight about the designation of the zones or the base lines. Again this is something to which great exception is taken by the united fishermen and allied workers union. They feel very strongly that this matter should not be left to the governor in council but should be included in the legislation. Once again I would refer to their statement, to which I have already referred twice, to point out that they say that the base lines should be clearly defined by legislation and not left to be defined or amended by secret orders in council. Apparently this is going to be done at some future date. We are not just sure when. I suppose it will be when the discussions currently being carried on are completed. But, as has been noted tonight by other speakers, we have very little or no information upon which to base commendation or criticism of government intentions with respect to this particular matter. We are left completely in the dark and will have to trust to the discretion, wisdom and political diplomacy of the minister to arrive at the most satisfactory conclusions to these matters. I do not think this is altogether satisfactory to the fishermen. I do not think it is altogether satisfactory to us because we believe there should be something more clear and more definite upon which to base consideration of this particular measure.

We appreciate the fact that the bill is to be referred to the standing committee on marine and fisheries. Once again let me say that I believe that committee should have considered many of these factors long ago. The minister would then have had the benefit of the suggestions of the fishing industry, the fishermen's union and other interested individuals with the result that as he entered upon these negotiations and discussions he would have had a clear understanding of what these interested parties consider should be involved in the negotiation and discussion of these matters.

Mr. Robichaud: Would the hon. member permit a question? Is he aware that the body he is referring to has presented a long, 30-odd page brief, exactly on this matter to the federal fisheries conference, so that their views have been made clear and definite to us?

Mr. Patterson: They have been made clear and definite to the minister, but they have not had an opportunity to meet in person with the committee on marine and fisheries. That is the place where members of the committee could deal with this matter, question the representatives, and have a clear understanding. Perhaps the minister already has a clear understanding, but we should have as clear an understanding as he professes to have.

Mr. Robichaud: Once the bill has passed second reading you will have that opportunity.

Mr. Patterson: The minister says that once the bill passes second reading we will have that opportunity. I think it would have been better to have had them present their views before the committee prior to this, and then we could have taken them into consideration when considering the bill. These are the only remarks I wish to make at present, but possibly some other hon. members will participate in the debate a little later.

Mr. J. B. Stewart (Antigonish-Guysborough): You will perhaps have surmised, Mr. Speaker, that there are few subjects on which those of us from the Atlantic provinces, and who represent the people of those provinces by the sea, feel more deeply than the preservation of our fisheries.

In the four provinces there are some 32 constituencies, and of these 29 are touched intimately in their lives by the north Atlantic. Moreover, sir, discussion of the fisheries is not a new matter in this house. There was a time, sir, when fisheries rather than wheat was the staple of debate here; and in those days the debates were robust and lively, as the hon. member for Queens (Mr. MacLean) sought to remind us somewhat earlier this evening.

It is well to remember that fishing is, after all, our most historic industry. It is well to remember too that fishing is far more than an industry. To a very great extent it touches and shapes the lives of the people involved in it. Consequently, the demarcation of Canada's internal waters, the demarcation of her territorial sea, and the demarcation of her fishing zones are no mere assertion of a mature nationhood. Rather, this is an assertion that this country is not prepared to stand idly by, doing nothing, while the fisheries are being wantonly devastated.

That phrase, "wantonly devastated", is not perhaps perfectly exact, for the truth is that no Canadian fisherman and no fisherman from any foreign country is prepared to see the great north Atlantic fisheries wiped out either by design or by carelessness. The problem has been that no government has had established any conclusive jurisdiction over large areas of these seas. Of course the fact that the difficulties that have arisen have sprung largely from an absence of jurisdiction has been very little consolation to the people who saw the source of their livelihood ravaged, or to the scientists who were prepared to devote their time and energy to the preservation of this great natural resource.

Three things are necessary; first, the establishment of straight base lines; second, the establishment by clear reaffirmation of Canada's rights relative to certain waters such as the gulf of St. Lawrence and the bay of Fundy and, third, the fixing of the extent of Canada's fishing zones. I am pleased to see that the bill now before the house envisages provision for all these necessities.

It happens that the constituency which I have the honour to represent, by reason of its peculiar shape and location at the extremity of the mainland of Nova Scotia, is one in which all these three points have a direct application. Both the Northumberland strait and St. George's bay are within the gulf of St. Lawrence. At the same time, the entire Guysborough shore, from Ecum Secum to Mulgrave, will be benefited greatly from the establishment of a Canadian fishing zone 12 miles wide drawn from a base line straight from cape to cape.

When this bill has been proclaimed Canada's fishing zone will extend nine miles beyond the present three mile limit. The function of this portion of the bill, as I understand it, is to establish the existence of Canadian fishing zones. Let me say here parenthetically, Mr. Speaker, that it is my understanding also that since these zones are shortly to be moved farther out to sea in many places—that is, just as soon as the straight base lines have been defined and published—these zones will not be enforced in their temporary locations. Then the bill authorizes the governor in council to establish the necessary straight base lines, these to be drawn from one major headland to another.

For example, in the case of the southern and eastern shores of Nova Scotia, I think what is envisaged is a series of lines beginning at cape Sable, touching the principal headlands and encompassing the larger offshore islands along to cape Canso and thence to Scatari island. When this base line has been settled all the waters landward of this line will be defined as internal waters of Canada. The territorial waters of Canada will be three miles of sea immediately seaward of this base line. The fishing zones of Canada will be the nine miles of sea immediately seaward of the territorial sea.

Generally, as provided by clause 4 of the bill, all fishing both within the internal waters of Canada and in the 12 miles between the base line and the limit of the fishing zone will be under the sole jurisdiction of the government of Canada.

Mr. Speaker, may I call it ten o'clock?

BUSINESS OF THE HOUSE

Mr. Churchill: May I ask the acting house leader about the order of business for tomorrow?

Mr. MacNaught: Mr. Speaker, the hon. member for Peace River, who is the chairman of the standing committee on public accounts, told me they had scheduled a meeting for Tuesday and unless we passed a couple of resolutions on the order paper they would have no business to transact. I discussed the matter with the house leaders on the opposite side, and there is agreement that we first call item No. 17 on the order paper, a resolution to refer the reports of

the Canada Council to the standing committee on public accounts, and resolution No. 18, to refer the public accounts volumes I, II and III, together with the Auditor General's reports thereon, to the standing committee on public accounts. I understand these will go through with no debate. Then we will go on with the estimates of the Department of External Affairs and on Monday, as mentioned by the Prime Minister, there will be a motion to go into supply.

PROCEEDINGS ON ADJOURNMENT MOTION

(Subject matter of questions debated under adjournment motion).

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

CANADIAN NATIONAL RAILWAYS—WESTVILLE, N.S.,—PROPOSED REMOVAL OF STATION AGENT

Mr. H. Russell MacEwan (Pictou): Mr. Speaker, on Tuesday last I addressed a question to the Minister of Transport, which was as follows:

> I should like to ask the Minister of Transport if he has received a telegram from the mayor of the town of Westville requesting his support in connection with the proposed removal of the Canadian National agent from the station in that community, thus placing it on a caretaker basis. If so, would the minister request the board of transport commissioners to postpone such action until the legislation standing on the order paper in the name of the minister is passed by this house?

I bring this matter to the attention of the house because I understand a telegram was sent by the mayor of this fine mining town in my constituency and a reply was sent by the minister stating that he would assist in the matter. A representative of the board of transport commissioners went to the area on April 21, I believe, and a hearing was held attended by many people, following which a letter was sent by the board of transport commissioners to the town clerk stating that the agent would be removed from this station if further submissions were not made within a 30 day period.

This is a most important matter for this mining town, one which has been a hard luck town for many years as a result of the closing of coal mines, which has led to a labour surplus not only in the town itself but in the whole constituency of Pictou. The history of this matter is well known in the district. The area served by the New Glasgow office is a designated area and to remove the agent from Westville station would be the last step before closing the station altogether. At the present time an application is being made by the C.N.R. to remove the centre of the line which runs from Stellarton to Oxford Junction, that is, to remove the heart from a community which, though it may not be well known in this house, is well known in Nova Scotia—Tatamagouche to Scotsburn. This proposal to take out the middle of this line or, if I might put it more roughly, take out the guts of this line would, together with the closing of Westville station, be disastrous to the whole area. I believe the submissions put forward at the hearing held by this particular officer of the board of transport commissioners gave the reason why the traffic has been cut down so greatly, namely the removal of the Canadian National Express Agency to a private individual.

I am appealing to the minister because he has the responsibility of reporting for the Atlantic development board, a board which was set up to assist the Atlantic area. If there were no rail service it would be difficult to get new industries into the area, even with the help of the Department of Industry. As I stated, many people attended this hearing, including the provincial members Donald R. MacLeod and Harvey A. Veniot, representatives from the various municipalities in the area, officers of the department of trade and industry in Halifax, representatives of chambers of commerce, and merchants in the area as well as interested citizens. The principal brief was presented by Mayor Duggan, the mayor of this hard hit town.

I would ask the Minister of Transport, in accordance with the telegram, to request the board of transport commissioners to adjourn this matter so that rail services may still be provided for this area. If this were done, the Atlantic development board as well as the area development agency under the new Department of Industry would be given an opportunity to do something for this area.

Mr. Jean-Charles Cantin (Parliamentary Secretary to Minister of Transport): In answer to the hon. member I can say it is a fact that on April 14 the minister received a telegram from the mayor of Westville which reads:

> Board of railway commissioners are having a hearing here Tuesday re closing of Westville station we are objecting to same. Would appreciate your assistance to prevent this.

A day later, on April 15, the minister answered as follows:

> Application of C.N.R. is being investigated by board of transport commissioners district inspector and report on investigation will be considered by board. Understand full opportunity will be given to municipal representatives to make representations to board's district inspector. I am referring your representations to the board of transport commissioners.

That is signed by the Minister of Transport (Mr. Pickersgill). Therefore, Mr. Speaker, I

feel that the board of transport commissioners will take good care of this problem for the good of the citizens concerned.

URANIUM—DISPOSITION OF UNFILLED PORTION OF GUNNAR MINES CONTRACT

Mr. H. W. Herridge (Kootenay West): Mr. Speaker, as a trade union member of 23 years standing I raise a question tonight on behalf of my fellow union members. The question I asked the minister the other day was: What is the government's intention with respect to the disposition of 1,200,000 pounds of uranium oxide from the Gunnar mines unfilled contract? I intended to put this supplementary question but was stopped in my tracks by Mr. Speaker and had to use the ruse of this evening's procedure in order to make my point: Is consideration being given to placing this contract with Metal Mines Limited, formerly known as Faraday Mines, in the Bancroft area, which is scheduled to close June 30 unless the contract is provided?

There was a brief submitted by the Bancroft and district workers local union 1006 of the international union of mine, mill and smelter workers to the Hon. Charles M. Drury, Minister of Industry, on May 19. In view of the shortness of my time, Mr. Speaker, I think I can most usefully use the time available by quoting from the brief, and I do urge the minister to give further consideration to their representations. I presume, from the gleam in the parliamentary secretary's eye, that he is intending to respond favourably to my representations later on. This brief reads:

> The Bancroft and district workers local union 1006 of the international union of mine, mill and smelter workers (Canada), representing the employees of the Metal Mines Limited (Faraday Uranium Mines), Bancroft, Ontario, are making this representation with a view to preventing the closure of these mining operations. Their closure will work great hardships on many people, and create another depressed area in our nation.
>
> The members of our union in Bancroft were both disappointed and alarmed when they heard the announcement made on May 4, 1964, that uranium delivery contracts would not be renewed by the government's crown corporation. These workers had hopefully anticipated, despite threats of closure, that the government would in the future interests of the nation continue the stockpiling of uranium.
>
> This optimistic conclusion by the mine workers in Bancroft was a direct result of promises made to them during the previous federal election campaign.

I am sure the parliamentary secretary will refer to that. The brief continues:

> In order to ensure that these promises would not be forgotten, our membership over the past period of time has continued to examine ways and means by which this small mining community could be saved from becoming a depressed area. In this, we have co-operated with the various community organizations, who we believe also have made proposals to the government. We believe the proposals we are now making are workable and provide a proper solution to the problem facing our industry.

Then the brief goes on to make certain proposals. They propose that for immediate relief and to prevent the proposed closure of the Bancroft operations of Metal Mines Limited on June 30, the government should revert to these operations the unsold Gunnar Mines United Kingdom contract of 1,200,000 pounds of uranium oxide. They go on to deal with the possibilities of doing this and suggest a practical way in which it can be approached.

Then the next recommendation is:

> 2. As a long range prospective to the problems facing the uranium industry, we again propose that the government institute some measures of stockpiling which will ensure that the three uranium communities are able to continue and that the industry will be competitive in the future.

Then they go on to say:

> All engineering and political experts indicate that by 1970, there will be a large commercial demand for uranium oxide, arising from the development of uranium power and other commercial uses such as steel alloys. At that time, we repeat, it is important that the sources of supply be varied and monopoly control by one company be avoided.

I think that is a very good suggestion indeed. They conclude:

> 3. New industry in Bancroft—One cannot look at the economic future of the Bancroft area without consideration of the development of a wider industrial base. It is important that even while the uranium industry operates, that secondary industries should be able to complement this basic industry to ensure the stability of employment over a long period of time. It is important, even if the uranium industry be assisted to continue and should function over the next few years, that at no time should the community be dependant upon this one industry alone.

I think that is a very constructive suggestion.

> In conclusion, we wish to impress upon your government the urgency of the situation. It is now the middle of May. We are faced with the mine's closure on June 30. We have been given to understand from press reports that the question of Gunnar Mines undelivered contract is before the government. We have every hope that the government will be acting on this immediately and that this contract will be given to the Bancroft area. At the same time, we also urge that the long term viewpoint be considered and that through the use of some method of stockpiling and the establishment of secondary industry, the government will take steps to insure a diversified and competitive uranium industry in three stable and prosperous communities protected against the vagaries of one industry, through the establishment of secondary industries.

I have quoted briefly from the union's proposals, Mr. Speaker, and I do urge the government to give them consideration. I am sure that the hon. member who represents this area is very concerned about this matter; he asked a question about it on orders of the

day today and I hope to hear from him later. I see from looking at the parliamentary secretary that we can anticipate a favourable response to our representations.

Mr. Jack Davis (Parliamentary Secretary to Prime Minister): Mr. Speaker, I know from the oral question that the hon. member for Hastings-Frontenac (Mr. Webb) posed earlier today that he is vitally concerned with unemployment and its consequences in the Bancroft area. I also gather from the remarks of the hon. member for Kootenay West that he too is concerned about this matter. I can assure both hon. gentlemen that this matter is also very much in the mind of the Prime Minister. Our uranium mines are in difficulties. They are in difficulties in the Elliot Lake area as well as at Bancroft. No one could be more aware of this fact than the hon. member for Algoma East.

What, Mr. Speaker, can be done about it? The hon. member for Kootenay West asked about the undelivered portion of the Gunnar contract, involving some 1,200,000 pounds of uranium oxide. If it is distributed among the remaining producers it could keep them all running for another two months, no more than that. The government is therefore considering an incentive program. The price of $4.19 a pound will not change, but the work will go to the producer who is willing to do the most stockpiling on the side. In other words, the one which is prepared, partly at its own expense, to create the most man-hours of employment will get the contract. Invitations to tender phrased along these lines will be going out over the week end.

There is, of course, the longer term problem. Every effort is being made by the Department of Industry, the Department of Mines and Technical Surveys and the Department of Labour to find alternative opportunities for the workers who are being laid off at Canada's uranium mines. These efforts are meeting with some success. Further announcements along these lines will be made at a later date.

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

HOUSE OF COMMONS

Friday, May 22, 1964

The house met at 11 a.m.

UNITED NATIONS

ADDRESS BY SECRETARY GENERAL TO JOINT MEETING OF SENATE AND HOUSE OF COMMONS

Mr. Speaker: I wish to announce that on Tuesday, May 26, at ten o'clock in the morning a joint meeting of all hon. members of the Senate and the House of Commons will be held in this chamber in honour of the secretary general of the United Nations, His Excellency U Thant, who will deliver an address.

PRIVILEGE

MR. RONDEAU—REPORTED REMARKS BY MEMBER FOR THREE RIVERS

[*Translation*]

Mr. Gilbert Rondeau (Shefford): Mr. Speaker, I rise on a question of privilege which concerns the honour and reputation of several hon. members of this house.

In view of the fact that these past few days the hon. member for Three Rivers (Mr. Balcer) has been taking the liberty to make vague, incorrect and misleading statements which are spreading doubt and confusion about the intentions of several hon. members, I feel duty bound to straighten things out.

The hon. member for Three Rivers took the liberty to state that more Créditistes would be leaving the ranks of their party to join the Conservatives.

Now, Mr. Speaker, on behalf of the members of the Ralliement Créditistes, I want to make the following corrective statement: Not a single member of the Ralliement Créditistes has thought of joining the ranks of the Conservative party. On the contrary, none of them has considered leaving the ranks of the Ralliement.

Therefore, the hon. member for Three Rivers—

[*Text*]

Mr. Speaker: Order. I doubt very much whether this is a question of privilege. Inasmuch as the hon. member has had an opportunity of making a statement I think we should now proceed with the business before the house.

[*Translation*]

Mr. Rondeau: Once again the hon. member for Three Rivers has tried to mislead and delude the Canadian people—

[*Text*]

Some hon. Members: Order.

[*Translation*]

Mr. Gilles Grégoire (Lapointe): I rise on a point of order, Mr. Speaker. Before deciding whether there is a question of privilege concerning the matter raised by the hon. member for Shefford, would it not be reasonable to hear his explanations and then you would be in a position to decide whether or not there is a question of privilege. This is why I humbly ask you to let the hon. member for Shefford complete his statement.

[*Text*]

Mr. Speaker: Order. The reason the Chair came to this quick decision, if you want to call it that, is that if all hon. members were to comment on all the statements made by other hon. members outside the chamber we might be here for several years. It seems to me that the point has been made this morning, and I suggest to the hon. member that he leave it at that and that we get on with the business before the house.

[*Translation*]

Mr. Grégoire: Mr. Speaker, I should like to quote paragraph 1 of standing order 39, under which we are allowed to put questions to members other than ministers, if members of the house are concerned.

I should like to ask the hon. member for Three Rivers when other Social Crediters will join his party, and what their names are?

Hon. Léon Balcer (Three Rivers): Mr. Speaker, I must tell the hon. member for Lapointe (Mr. Grégoire) and the hon. member for Shefford (Mr. Rondeau) that they need not—

Mr. Speaker: Order.

Mr. Balcer: —be worried, because we are not in the least interested in having them in our party.

[*Text*]

Mr. Speaker: Order. After due consideration and advice, I am advised that any question under standing order 39 (1) must relate to the business before the house. Consequently the question as asked by the hon. member is out of order.

[*Translation*]

Mr. Grégoire: Mr. Speaker, I beg your pardon if my question was out of order but that meant, neither more nor less, that desk changes were considered, and I thought that it could be of interest to the house, since the matter had been mentioned in the newspapers.

Mr. Lambert: Keep quiet.

Mr. Grégoire: As a supplementary question, may I tell the hon. member that, as for not joining his ranks, the pleasure is ours.

[*Text*]

Mr. Speaker: Order. It seems to me this is the start of a very bad practice, and I certainly would not want to encourage it.

[*Translation*]

Mr. Rondeau: Mr. Speaker, I move, seconded by the hon. member for Lapointe (Mr. Grégoire):

That the question raised by the hon. member for Three Rivers (Mr. Balcer) to the effect that desk changes will soon be necessary in the house, be referred to the committee on privileges and elections.

Mr. Grégoire: Mr. Speaker—

[*Text*]

Mr. Speaker: Order, please. I have to decide whether to accept this motion. First of all, no notice has been given, and two days' notice—48 hours—is required. In the second place, I have already ruled this morning that there was no question of privilege. In the circumstances I cannot go back on my decision; therefore I cannot accept this motion.

[*Translation*]

Mr. Rondeau: Mr. Speaker, I should like to point out that what you hold in your hand is a two-day notice.

[*Text*]

Mr. Speaker: Notice, as the hon. member must know, must be in writing and be given in the proper way.

[Mr. Speaker.]

WORLD FAIR

ALLEGED DELAY IN ARRANGEMENTS FOR EXHIBITS

On the orders of the day:

[*Translation*]

Hon. Léon Balcer (Three Rivers): Mr. Speaker, I should like to put the following question to the right hon. Prime Minister.

Since some irresolution on the part of the government seriously jeopardizes the organization of the Montreal world fair, can the Prime Minister tell us when the cabinet will take a decision concerning the request made by the world fair corporation to grant tax allowances to the exhibiting companies?

[*Text*]

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, the preamble of that question I cannot, of course accept; there has been no lack of decision at all with regard to the government and its relations with the world fair. I will look into the second part of the question.

Mr. Balcer: A supplementary question. I wonder whether the Prime Minister is aware that officials of the corporation have said that the government had promised a decision by May 9 and then by May 15, that May 15 would already be extremely late for such a decision, and that the future of the exhibition is threatened by this delay.

Mr. Pearson: I told the hon. gentleman that I would be glad to look into the matter, but I can assure him that I have received no complaints of the kind he has indicated from any member of the corporation.

CANADIAN FLAG

REQUEST FOR DETAILS OF PROPOSED DESIGN

On the orders of the day:

Hon. Paul Martineau (Pontiac-Témiscamingue): Mr. Speaker, I have a question for the Prime Minister. Will the Prime Minister now tell the house the flag design he will be proposing to parliament?

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, the design, as I said yesterday, will be in the resolution, and I should think in order to get the exact description before the house it would be advisable to wait until the resolution is presented. I know hon. members are interested in this matter. The hon. member for Lapointe told me that he might bring it up this morning, but in the circumstances I hope hon. members will feel that it

would be well to wait until the resolution is introduced, at which time the details will be revealed.

Mr. Martineau: A supplementary question. Did the Prime Minister tell newspapermen yesterday that if he were asked this question in the house he would immediately reveal the design?

Mr. Pearson: No, Mr. Speaker. I told newsmen that if I were asked this question I would do my best to deal with it. The question as it was put by the Leader of the Opposition yesterday made it impossible to deal with it in any other way than I did.

Hon. George C. Nowlan (Digby-Annapolis-Kings): Mr. Speaker, I wonder if the right hon. Prime Minister would tell the house when the resolution will be brought before it.

Mr. Pearson: I would hope, Mr. Speaker, on Wednesday or Thursday of next week.

Mr. Nowlan: This week or next week?

Mr. Pearson: Well, we are past Wednesday and Thursday of this week.

Mr. Erik Nielsen (Yukon): Mr. Speaker, I have a supplementary question for the Prime Minister. Can he inform the house whether the cabinet meeting of a day or two ago on the flag question altered the design from three maple leaves to one?

Mr. Pearson: That is the kind of question which makes it difficult to answer questions on the flag.

Mr. Robert C. Coates (Cumberland): As a supplementary question to the Prime Minister, could he inform the house whether the Toronto *Star* had any prior knowledge as to the design of the flag, in view of the fact that they flew from their flagpole what they held out to the city of Toronto to be the new Canadian flag?

Mr. Pearson: No, Mr. Speaker. So far as I am concerned the design of the flag as agreed to by the cabinet has been given out to nobody.

Mr. G. H. Aiken (Parry Sound-Muskoka): Mr. Speaker, may I ask the Prime Minister a supplementary question. A moment ago he referred to a resolution to be placed before the house. Is this intended to be a resolution preceding a bill, or is it intended to be a straight resolution adopting a flag?

Mr. Pearson: Well, Mr. Speaker, I think my hon. friend should wait until the resolution is on the order paper.

Mr. Coates: In view of the fact that the Prime Minister has already stated that this type of legislation has never been presented to parliament before, and that a flag design has never been adopted, I feel this house should be made aware of the type of design that is going to be adopted, if in fact it is adopted.

Mr. Speaker: Order, please. The hon. member for Joliette-L'Assomption-Montcalm.

[*Translation*]

Mr. L. J. Pigeon (Joliette-L'Assomption-Montcalm): Mr. Speaker, I should like to put a supplementary question to the Prime Minister. Has he obtained the unanimous consent of his party, including that of the hon. member for York-Humber (Mr. Cowan), to select a distinctive flag?

[*Text*]

Mr. Pearson: Mr. Speaker, the hon. gentleman has obviously asked this question to conceal the lack of unanimity in his own party.

[*Translation*]

Mr. Robert Beaulé (Quebec East): Mr. Speaker, I should like to put a question to the Prime Minister. Could he assure the house that there will be no "pigeon" on the distinctive flag?

[*Text*]

Mr. Pigeon: That would represent peace.

SHIPPING

SUGGESTED CONFERENCE ON WATER LEVELS OF GREAT LAKES

On the orders of the day:

Mr. G. H. Aiken (Parry Sound-Muskoka): Mr. Speaker, I have a question for the Prime Minister on another subject. Has he received an invitation from the province of Ontario to attend a conference on water levels on the great lakes?

Right Hon. L. B. Pearson (Prime Minister): No, Mr. Speaker.

Mr. Aiken: As a supplementary question, Mr. Speaker, have we now to look to the provinces and the American states for leadership in this matter?

Mr. Pearson: No, Mr. Speaker. As the premier of Ontario himself recognized, as reported, in sending out the invitation to certain states and provinces, the responsibility in this matter is in the hands of the federal government in so far as any arrangements

with any other country are concerned; and that, of course, is a correct statement of the position.

Mr. Aiken: Is there any action on the part of the federal government on its own initiative? I have been trying to get an answer to this question.

Mr. Pearson: Yes, Mr. Speaker. In view of my hon. friend's interest in the matter I should inform him that the international joint commission, within the limits of its existing authority and conditions, is regulating levels and flows so as to make the best use of the available supplies of water. Within the next day or two the government expects to send to the United States government and to the provinces, recommendations for new authority for the commission, whose authority now extends only to lake Superior and lake Ontario. I believe the whole question of diversion from other watersheds is being considered and has been considered for some time by the international joint commission. But, of course, this is a long range project.

With respect to dredging for local emergencies—and we all know there are local emergencies—I expect to bring the details of this emergency dredging to the attention of the house next week.

Mr. Aiken: I thank the Prime Minister.

Hon. Paul Martineau (Pontiac-Témiscamingue): A supplementary question to the Prime Minister. Although the government has not been invited, does the government intend to send observers to the conference convened by Premier Robarts?

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

[*Translation*]

Mr. Gérard Laprise (Chapleau): Mr. Speaker in view of the fact that my seat is rather far from the Chair, and that it always takes a long time for us to be recognized during the orders of the day, my question has already been asked.

[*Text*]

Mr. W. H. A. Thomas (Middlesex West): A supplementary question to the Prime Minister. Would he outline briefly what methods of control are being used in connection with water levels on the great lakes?

Mr. Pearson: Mr. Speaker, this would be difficult to do on the orders of the day but if my hon. friend will put his question on the order paper I will see that he gets the information.

[Mr. Pearson.]

[*Later:*]

Hon. Théogène Ricard (St. Hyacinthe-Bagot): A supplementary question to the Prime Minister. A few moments ago he referred to the group that is going to study water levels on the great lakes. Will the Minister of Northern Affairs and National Resources be invited so that he may conduct the necessary prayers?

LABOUR CONDITIONS

ST. JOHN'S, NFLD.—STEPS TO SETTLE LONGSHOREMEN'S STRIKE

On the orders of the day:

Hon. Michael Starr (Ontario): Mr. Speaker, I should like to address a question to the Minister of Labour which I put to his parliamentary secretary yesterday. I am sorry the minister was not able to be here. In view of the serious situation in the longshoremen's dispute in St. John's, Newfoundland, is the minister prepared to take an active and personal interest in this matter to bring the two parties together?

Hon. A. J. MacEachen (Minister of Labour): Mr. Speaker, I have been taking an active and personal interest in the matter for some weeks now. The situation is that an experienced officer of the department in the Atlantic area has brought the parties together for intensive discussions, but as yet no resolution of the dispute has been possible. This officer is in contact with the parties with a view to establishing a situation that might bring the parties together and result in a settlement. We regard the matter as very serious, and are doing everything that we think will be helpful in the situation.

Mr. Starr: A supplementary question, Mr. Speaker. Are the reports correct that another senior officer and others who are interested in this matter have failed to bring the two parties together?

Mr. MacEachen: No, Mr. Speaker. The parties have been together for discussions, but they have not come together by way of a settlement. There have been joint meetings.

Mr. Starr: When was the last joint meeting held in this connection?

Mr. MacEachen: I do not recall the exact date, but I think they met over the last week end. I will be glad to check and give the precise dates.

SAINT JOHN, N.B.—TRANSFER OF MANUFACTURING FIRM TO MONTREAL

On the orders of the day:

Mr. Thomas M. Bell (Saint John-Albert): I have a question for the Minister of Labour in the absence of the Minister of Transport. In view of the closing of the national manufacturing concern of McAvity's in Saint John and its transfer to Montreal with all its facilities, resulting in a loss of more than 400 jobs, will the Atlantic development board immediately investigate and offer every assistance in this matter?

Mr. Speaker: Would the hon. gentleman put this question on the order paper.

Mr. Bell: I give notice I will raise this matter on adjournment on Monday.

BUSINESS OF THE HOUSE

CONSIDERATION OF HEALTH AND WELFARE ESTIMATES

On the orders of the day:

Mr. H. W. Herridge (Kootenay West): Mr. Speaker, I wish to address a question to the Minister of National Health and Welfare, but before doing so may I say that I am sure all members will join with me in welcoming her back to the house. We are happy to see her in her seat oozing vim and vigour. In view of the particular interest of many Canadians in several subjects that come under the jurisdiction of her department, can she inform the house when we may expect her estimates to come before the house for consideration?

Hon. Judy V. LaMarsh (Minister of National Health and Welfare): Shortly, Mr. Speaker.

TRADE

RUSSIA—SUGGESTED EXCHANGE OF PETROLEUM PRODUCTS FOR WHEAT

On the orders of the day:

Mr. Eldon M. Woolliams (Bow River): I put a question to the Prime Minister yesterday which is of concern to the west, and particularly to the petroleum industry. Is the article which appeared in the New York *Times*, reprinted in the Calgary *Herald*, to the effect that the government may stimulate trade in the petroleum industry with Soviet Russia, speculative or is there a basis in fact for it?

Right Hon. L. B. Pearson (Prime Minister): I think I told my hon. friend I would look into that question and discuss it with the

Minister of Trade and Commerce, who returned to Ottawa only this morning. I will have something to say about it on Monday.

CANADIAN CONSTITUTION

CONFERENCE OF ATTORNEYS GENERAL RESPECTING REPATRIATION

On the orders of the day:

Mr. G. W. Baldwin (Peace River): I should like to welcome the Minister of Justice back from his trip to the west. I hope he got a true sampling of public opinion which he will convey to his colleagues. In view of the atmosphere of harmony and togetherness which seems to be engendered by this issue of a national flag, I should like to ask him if he does not think this would be the appropriate time to attempt to secure the necessary provincial consent prior to the repatriation of our constitution, and thus make a real contribution toward national unity?

Hon. Guy Favreau (Minister of Justice): Since my hon. friend spoke about my trip to the west, I am pleased to report that there is a real atmosphere of harmony and togetherness in the Canadian family.

In so far as the repatriation of the constitution is concerned, he may be assured that the conference of the attorneys general, about which there has been some question, will be convened in due course.

EXTERNAL AFFAIRS

CYPRUS—AUTHORITY OF PEACE KEEPING FORCE TO DISARM

On the orders of the day:

[*Translation*]

Mr. Marcel Lessard (Lake St. John): Mr. Speaker, may I direct a question to the Secretary of State for External Affairs?

I would like to know if, following the first death we have to deplore among the UN forces, the members of that force will have wider powers and be able to disarm members of both groups now fighting each other, so that we will not have to deplore more deaths.

Hon. Paul Martin (Secretary of State for External Affairs): Mr. Speaker, I answered that question a few days ago but, on account of its importance, I will have the opportunity in a few minutes, when we discuss the estimates of the Department of External Affairs, to express our feelings and opinions about that matter.

Mr. Lessard (Lake St. John): Mr. Speaker, may I ask a supplementary question?

Inquiries of the Ministry

We learned that U Thant will be in Ottawa next week and will address the house; will hon. members be allowed to set forth their views on that matter at that time?

Mr. Martin (Essex East): I am convinced we are all agreed that the secretary general of the United Nations should be given a good reception during his official visit in Canada. As Secretary of State for External Affairs, I will have the occasion, with the Prime Minister, to discuss this problem with U Thant; I will be pleased to arrange the opportunity for the hon. member to meet the secretary general.

[*Text*]

Mr. Erik Nielsen (Yukon): May I ask a supplementary question. Does the Secretary of State for External Affairs intend to request the secretary general of the United Nations, on behalf of the Canadian government, to extend his peace keeping operations to Canada when he visits here?

Mr. Martin (Essex East): Mr. Speaker, the hon. gentleman, I am sure, does not want to be frivolous about the visit of the secretary general of the United Nations. He is coming to Canada as an honoured guest and because he has admiration for the contribution this country is making, not only in national but international affairs.

CANADIAN CENTENNIAL

APPOINTMENT TO COMMISSION OF WIFE OF CABINET MINISTER

On the orders of the day:

[*Translation*]

Mr. L. J. Pigeon (Joliette-L'Assomption-Montcalm): Mr. Speaker, I should like to direct a very important question to the Prime Minister. Does he approve of the appointment to the conference on the centennial of confederation of the wife of the Minister of Forestry, who is already an employee of the C.B.C. and who did not even take the trouble to attend the meeting held in Charlottetown last April 25 and 26?

[*Text*]

Mr. Speaker: Certainly this question is not exactly pressing and urgent.

[*Translation*]

Mr. Pigeon: I will raise the question after ten o'clock, Mr. Speaker.

[Mr. Lessard (Lake St. John).]

[*Text*]

POST OFFICE DEPARTMENT

THREE RIVERS, QUE.—REPORT ON MAIL TRUCK ROBBERY

On the orders of the day:

Hon. J. R. Nicholson (Postmaster General): In early April several questions were asked in connection with the mail robbery which took place in downtown Montreal on April 3. I assured the house at the time that when investigations were further advanced I would make a statement.

Various estimates were given of the amount involved in the robbery. I stated at that time that the cash involved was somewhere between $600,000 and $800,000. As a result of an extended investigation it is now believed that the cash stolen amounted to $618,175, and other postal assets to $9,923. Stock certificates and bonds of the value of approximately $709,000, were also stolen at the time.

DOMINION-PROVINCIAL CONFERENCE

REPLIES FROM PROVINCES RESPECTING PARTICIPATION BY TERRITORIES

On the orders of the day:

Mr. Erik Nielsen (Yukon): I should like to direct a question to the Prime Minister. Several weeks ago the house passed a motion for the production of the replies received from provincial premiers to the letter which the right hon. gentleman directed to them requesting their opinions as to the participation by the councils for the Yukon and the Northwest Territories in federal-provincial conferences. Can the Prime Minister give some indication when those replies will be tabled?

Right Hon. L. B. Pearson (Prime Minister): I am sorry they have not been tabled. I will look into the matter at once, because they should have been.

NATIONAL DEFENCE

RED DEER, ALTA.—RETURN OF SMALL ARMS TO SEA CADETS

On the orders of the day:

Mr. C. S. Smallwood (Battle River-Camrose): I have a question for the Minister of National Defence. Would the minister give instructions to have the small arms returned to the sea cadets of the city of Red Deer? They were confiscated about a month ago.

Hon. Paul Hellyer (Minister of National Defence): I would be glad to take the question as notice.

CANADA COUNCIL

REFERENCE OF REPORTS TO PUBLIC ACCOUNTS COMMITTEE

Hon. Guy Favreau (for the Secretary of State) moved:

That the reports of the Canada Council for the fiscal years ended March 31, 1962 and March 31, 1963, tabled on October 10, 1962 and on July 11, 1963 respectively, be referred to the standing committee on public accounts in order to provide for a review thereof pursuant to section 23 of the Canada Council Act.

Motion agreed to.

PUBLIC ACCOUNTS

REFERENCE OF PUBLIC ACCOUNTS AND AUDITOR GENERAL'S REPORTS TO COMMITTEE

Hon. Walter L. Gordon (Minister of Finance) moved:

That the public accounts, volumes I, II and III for the fiscal years ended March 31, 1962 and March 31, 1963, and the reports of the Auditor General thereon, tabled on January 21, 1963 and on February 19, 1964 respectively, together with the financial statements of the Canada Council for the fiscal years ended March 31, 1962 and March 31, 1963 and the reports of the Auditor General thereon, tabled on October 10, 1962 and on July 11, 1963 respectively, be referred to the standing committee on public accounts.

Motion agreed to.

SUPPLY

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

DEPARTMENT OF EXTERNAL AFFAIRS

1. Administration, operation and maintenance including payment of remuneration, subject to the approval of the governor in council and notwithstanding the Civil Service Act, in connection with the assignment by the Canadian government of Canadians to the staffs of the international organizations detailed in the estimates (part recoverable from those organizations) and authority to make recoverable advances in amounts not exceeding in the aggregate the amounts of the shares of those organizations of such expenses, and authority, notwithstanding the Civil Service Act, for the appointment and fixing of salaries of commissioners (international commissions for supervision and control in Indo-China), secretaries and staff by the governor in council; official hospitality; relief and repatriation of distressed Canadian citizens abroad and their dependants and reimbursement of the United Kingdom for relief expenditures incurred by its diplomatic and consular posts on Canadian account (part recoverable); Canadian representation at international conferences; expenses of the third commonwealth education conference; a cultural relations and academic exchange program with the French community, and grants as detailed in the estimates, $10,836,300.

Hon. Paul Martin (Secretary of State for External Affairs): On November 28 last I made a full statement to the house on Canadian policy concerning a wide range of major international issues. Today I propose to concentrate on the most important developments that have taken place in the meantime in areas of primary concern to our country.

Since last November I have attended a number of important conferences and meetings including two ministerial meetings of the North Atlantic council, one in December of last year and one last week; the United Nations trade and development conference in Geneva in March, and a session of the 18 nation committee on disarmament. I also accompanied the Prime Minister on visits to France and the United States in January, and we received here in Ottawa in February the Prime Minister and the foreign secretary of the United Kingdom.

In one way or another all these meetings had to do with the three main developments which have characterized the last decade in international affairs, the continuing contest between the communist and non-communist world in both a military and an economic sense; the changing relationships which are taking place within both the communist and non-communist camps, and finally the adjustments which both groupings have been making in their relations within the so-called third world, the less developed and often non-aligned nations which now comprise more than two thirds of the United Nations.

These three main tides of development have brought with them such a host of new and unfamiliar problems that there has been an understandable, and perhaps inevitable, tendency to try to deal with them piecemeal and in separate compartments. Yet the obvious interrelationship of these major political trends should convince one that at some stage—and I do not pretend to know how or when—the means whereby we are endeavouring to cope with some of the major unresolved problems must be brought together. It is clear to me that when we in NATO decide on a particular size and structure of defence arrangements to cover a given future period, we must not only consider whether that structure is adequate to ensure our physical security but what impact it will have on what we are simultaneously trying to accomplish in the disarmament committee in Geneva, and how it might affect prospects for a settlement of European security problems. Again, when we contemplate the rash of local conflicts which have broken out in the Middle East, Africa and southeast Asia we should not, in our anxiety to contain them, overlook what we are trying to achieve in the United Nations and in

the disarmament committee by way of more orderly and lasting international peace keeping machinery. In piecing together the parts of this complex puzzle I believe we are, during the next months and years, going to have to rethink a great deal of what has been our traditional policy.

I have just returned from the NATO ministerial meeting in The Hague, followed by a short visit to Germany. Together, these two visits were concerned with most of the fundamental issues in our contemporary international life, our relations with the communist world or worlds still being the dominant preoccupation. For years in NATO and in all the western capitals we have been speaking rather loosely about east-west relations. I think it is time we admitted that this shorthand phrase is no longer adequate. When we say "east-west relations" we imply that we are thinking in terms of a bipolar world, the communists and the rest of us. In fact today there is no longer one communist world and it is quite misleading to equate "east" with "communism". It is equally misleading to equate "west" with "the rest of us" or even with "NATO". What is actually happening is a more complicated form of competition than our old terminology suggests, a competition in which the Chinese communists are making a determined takeover bid for the communist leadership in Asia and Africa. We must think more of a four way relationship among the west, the Soviet communists, the Chinese communists and the non-aligned countries, instead of the old "east-west" terms.

If there is a pause or a détente in our relations with the Soviet union, based on what is really a common appreciation, since the Cuban confrontation, of the unacceptability of nuclear warfare—if this is true, we cannot pass the same verdict on our relations with the other communist world. For the Chinese, nuclear war is certainly unwanted but not unthinkable. Mao Tse-tung has pointed out that after the first world war there were 200 million communists and after the second, 900 million; so he predicts that after the third, communism will take over what remains of the world.

I know, sir, that apart from the Chinese communist invasions of Tibet and India and the troubles to which they are a party in southeast Asia, there is no reason to believe that the Chinese communists would deliberately allow their theories to push them over the brink. Their bark may, as we must hope, be worse than their bite. We have had experience before—bitter experience—of madmen whose theories were explicit and public, but we were too rationalistic to believe that they meant what they said. I am not prone to believe that we face the same situation now, but there are similar dangers. It does not appear at present that the west's détente with Moscow extends to Peking, but we must continue to test the intentions of the Chinese communists, intentions little affected by Soviet views or aims, by all means at our disposal. In the meantime it would be premature and irresponsible to dismantle our defences, either materially or psychologically, even though for the time being we think that with the Soviet world western relations are showing some real though limited improvement.

This is the first time that as external minister, I have tried in this house to analyse our relations with the communists in this way. When the differences between Moscow and Peking first became apparent, there was a natural reluctance on the part of the west to attach too much importance to them lest the cleavage be short lived. While this was a prudent reaction at the time, we can now begin to draw a new balance sheet and get away from too exclusive a preoccupation with only one of the communist giants. They are clearly at odds with each other on national, historical and racial grounds, though as communists their differences find expression in ideological terminology. These differences, which have been coming into the open for perhaps four years, are obviously not a transient phenomenon.

It is impossible to say how deep the détente or the pause with the Soviet union will go or how penetrating it really is. In the meantime I think it should clearly be our intention to encourage this pause or détente while remembering that Soviet positions have not changed on most of the central issues which divide us, including the division of Germany, the cruel, special case of Berlin, and the fomenting of unrest throughout the non-communist world under the guise of liberation. Moreover, as we have recently noted in Ottawa as well as in other parts of the world, communist efforts to subvert individuals and groups in free countries, and to expand their power and influence by other means than war, have continued unabated despite the détente.

This kind of situation, of course, requires the most careful examination. Each week brings some new evidence that it is possible to modify the word "satellites" in describing

the relationship between the Soviet union and the countries of eastern Europe. This trend, of course, should not be exaggerated, but it is evident that, apart from foreign policy, and within certain limits, the eastern European countries are being allowed much more than ever before, to develop a brand of communism more in conformity with local conditions and the national characteristics of their peoples. Simultaneously the process of de-Stalinization has led to a considerable reduction in the physical control over the populations in these countries. Such trends are not easily reversed.

A final element to be kept in mind is that the communist countries are faced with substantial economic difficulties. Agriculture is clearly inefficient, and the planning and organization techniques of communist industry are passing through a period of revision. These developments present possibilities to the west for trade and for the opening of channels of communication which may help us to break down some of the barriers between the Soviet world and our own. Yet even if we should be able to make some really substantial progress toward an understanding, a *modus vivendi*, with the Soviet union and eastern Europe, there would still remain the ominous question mark of communist China.

The Prime Minister and I had the opportunity for a frank discussion about communist China with President de Gaulle and M. Couve de Murville, the French foreign minister, during our visit to Paris shortly before the French act of recognition. While we would have preferred that France had consulted her allies, it was apparent to us that her decision was taken after a careful weighing of all the circumstances as the government of that country saw them. I hope the decision of France to establish diplomatic relations with Peking will help to reduce communist China's continuing isolation. The isolation of the Soviet union between 1917 and the early 1930's is now recognized as having brought little benefit either to the west or to the Soviet union.

I do not wish to leave the impression that it is the west which is mainly responsible for Chinese isolation. In fact, since the communist Chinese took control of the mainland they have often appeared to be pursuing a deliberate policy of severing contacts with the west. They have also sought to impose conditions upon those who were otherwise prepared to enter into relations with them. It must be frankly admitted that the experiences of some governments which extended recognition and sought to establish diplomatic relations were not as happy as those countries might have hoped.

Realizing the dangers inherent in Chinese isolation, Canada has, like a number of other western nations, encouraged increased contacts in the commercial and cultural fields with China; and I think this policy has been wise and has met with success. Canadian trade with China continues at a relatively high level, and there are increased dealings between Canadian businessmen and the appropriate Chinese agencies. With a relaxation in the Chinese attitude, one Canadian newspaperman is now in mainland China, and there is the possibility of other correspondents being admitted. This could give our public greater first hand coverage of events and developments on the Chinese mainland.

As part of this new development we would be willing to receive an equivalent number of Chinese correspondents in Canada for the purpose of reporting—and I emphasize the word reporting—on the Canadian scene to their home audience. It is our hope that such reciprocal arrangements could in the long run help to reduce the distortions which in the past have proved so dangerous to relations between Peking and the western countries.

As far as the international position of communist China is concerned, there are no simple solutions in sight. At the United Nations, as my hon. friend sitting opposite me can confirm, Canada has opposed resolutions calling for the expulsion of nationalist Chinese representatives and their replacement by representatives from Peking, on the grounds that such resolutions make no provision for the right of the inhabitants of Formosa to self determination and appropriate international status. Canadian representatives at the United Nations have made clear the Canadian desire for an equitable solution which would deal adequately with the Formosa problem and at the same time bring mainland China into the mainstream of international affairs. This was the position taken by the chairman of the Canadian delegation, the present leader of the opposition in the other place, when he acted as head of the Canadian delegation to the general assembly of the United Nations in 1961. I also agree with what the right hon. Leader of the Opposition said in the House of Commons on July 25, 1963:

> I think a major challenge is presented to the nations of the western world today. Canada, the United States and other nations will have to take another look at our policy regarding communist

China. We will have to review our thinking. We will have to consider the problem, and it is a tremendous one, in the perspective of changing events, and particularly in view of this agreement; because unless it includes communist China —and I do not want to mention France in the same paragraph—and we are able to secure the adherence of communist China, the threat of nuclear war will hang over us to a degree that we can only anticipate with foreboding, horror and overwhelming fear.

Mr. Nesbitt: Mr. Chairman, I was wondering whether the minister could give me the reference to that quotation?

Mr. Martin (Essex East): I am sorry I did not give the page, but I will have it before I conclude. It was in the month of July, 1963.

Recent developments have revived interest in what could be described as a one China, one Formosa solution. To achieve such a solution would require above all the cooperation of the parties immediately concerned; but a practical and equitable solution along these lines has not so far proved acceptable either to Peking or to Taipei.

During the recent NATO meeting questions were asked in this house concerning my references in my statement before the council in The Hague to the realities we might face at the nineteenth session of the United Nations general assembly which might require some modification of the policy I have just described. The Prime Minister, in reply to a question put to him by the Leader of the Opposition, has already referred to one such reality, the possibility of a vote favourable to the seating of mainland China irrespective of Canada's stand on that issue.

Another possibility is that communist China might come so close to being seated by vote at this assembly as to foreshadow a decisive trend in that direction at the following assembly.

In that event, as I told the NATO council, the chances of a solution which would make provision in the United Nations for the future of Formosa and its inhabitants on a basis of self determination might disappear if we do not move from the present static position. We must remember that if communist China were seated, it would occupy not only the general assembly seat now held by nationalist China but the security council seat as well, a privilege which carries with it the right of veto over the admission of new members. A third issue we might face, if communist China were seated and Formosa automatically excluded, would be whether to recognize the Peking government or do as we did some years ago in the case of Outer Mongolia, sit beside them in the United Nations without according recognition to the regime.

These examples will make it clear to the committee that the extent, if any, of modifications in our position which we might wish to consider will not become apparent until we see what developments occur at the next United Nations general assembly, but surely there can be no excuse for our failing to consider this matter in good time when important changes in the tactical position at the United Nations have taken place.

In saying that Canada has no intention of doing anything that would add to the difficulties of our friends, as I said at NATO, I was simply recognizing the need for prior consultation with our friends before policy decisions are taken on important questions. Indeed, there is a NATO requirement for such consultation, and that is why I concluded my statement at The Hague on the China issue by urging close consultation in New York among NATO delegations on this matter before and during the forthcoming general assembly.

We are watching the situation closely and Canadian policy will be predicated on a number of factors. For example, the effect on the stability of countries in southeast Asia must be assessed with care, and particularly in the light of the current critical situation in Indochina. I shall refer to this new crisis in that area in a few minutes. Canada shares with other western countries the same basic interest in helping the developing countries of southeast Asia to maintain their independence and national identity. In addition we have a special interest in this area through our role in the international control commissions in Indochina.

It is against this background of our relations with the communist world that I would like to report on the NATO ministerial meeting which I attended in The Hague last week. The foreign ministers of the NATO countries have an opportunity each spring to review the international situation and the state of the alliance. We all realize that it is necessary to keep the nature of the threat under constant review so that the western response may be appropriate, not only in a military sense but, equally important, in ideas and policies. Therefore I firmly believe that it is not a sign of "disarray", as it is sometimes called, but of progress and sensible evolution that there are any thoughts in the western alliance as to how our countries should react to the

new opportunities as well as to the pitfalls presented by the current situation vis-à-vis the communists.

We have heard far too much about NATO being at a crossroads and suffering from various kinds of malaise. The fact is that the alliance is going through a healthy process of sorting out the different and often vigorously expressed ideas of its members on the state of the alliance and what should be done to bring it up to date. Would it be healthy if it were otherwise, if we were merely clinging to the conceptions of the past and not trying to keep up with the times in a flexible way as befits free peoples?

At The Hague there was general agreement that in the next few years our main aim must be to ensure that NATO can meet the requirements of a world very different from when the alliance was founded. NATO has its old myths. Events are overtaking them rapidly and, if the alliance is to survive, we all must face the new realities. In the words of the Prime Minister at the NATO council in January, "We must learn to deal with the difficult job of peace making while maintaining the force necessary to deter war."

But I can say that all the members, all the foreign ministers representing the great powers and the others, are agreed upon the fundamentals of this alliance, which are that we intend to remain free; we intend to maintain our military strength in the absence of political settlements and controlled disarmament; we intend to contain communist aggression; we intend to remain firm in our dealings with the Soviet union, but willing to explore any road to political settlement provided it does not endanger our security.

There are different ideas on how to proceed in the future. What is needed in the alliance is more willingness on the part of those who want changes to propose them, and more willingness on the part of those who profess partnership to start practising it. If we are to adapt the alliance to changed conditions, there are certain goals which we believe are worth pursuing. First and foremost, so far as this country is concerned, we believe there must be increased emphasis on the transatlantic nature of the alliance. Any development within the alliance toward European or North American continentalism will be resisted by this country, I hope. We will never choose, I hope, between the two sides of the Atlantic, because we cannot; for our historic ties are with Europe while at the same time we are a North American country. Greater co-operation between the two sides of the Atlantic is to us the only sensible policy if the western alliance is to continue to evolve as a partnership of like minded nations.

Second, Europe today is vastly stronger than in 1949, and many European countries think, quite rightly, that they should play a larger role in the direction of the alliance politically and militarily. I am sure concrete proposals would accomplish this and these would be welcomed by all. I urged my colleagues at the meeting to let us have these proposals.

The Chairman: Order. I regret having to bring to the attention of the committee that the minister's time has expired.

Mr. Nesbitt: I am sure all of us in the committee wish to hear the minister's comments on the various aspects of world problems, and I am sure there would be no disagreement to allowing him to continue.

The Chairman: Is it agreed?

Some hon. Members: Agreed.

Mr. Martin (Essex East): Thank you, Mr. Chairman. Yet it accomplishes little to state the complaint without suggesting the remedy.

Finally, we need better consultation in the military as well as in the political and economic spheres. There have been enormous improvements in recent years and, as a result, the alliance is stronger today than in 1949. Because we now feel freer than before to go our own ways, there is an even greater need to tell each other what we are doing, and why.

I am afraid that that is now the situation. If we fail to do so, mistrust sets in and we lose sight of the fundamental reasons which keep us together and we become obsessed by our differences.

When the Prime Minister and I visited Paris last January we agreed that we would consult with France at the ministerial level. We found that President de Gaulle and his ministers shared our desire for a closer relationship. Although only a short time has elapsed since that visit, I believe I can already say with confidence that our conversations marked an important milestone in Canada's relations with France.

While I was at The Hague I met privately with the French foreign minister, M. Couve de Murville, as part of our continuing ministerial consultations. We talked not only about NATO matters and Cyprus but about more general international problems and about our developing bilateral programs in the cultural field. I am sure we will have an opportunity later to give an indication of the nature of these bilateral accords which were reached

with France and in connection with which I was able to report some progress in my conversations with the French foreign minister who, I believe, and I am sure the Prime Minister will agree, is one of the great foreign ministers. Even when we do not agree with his views, they are worth trying to understand, for I am sure they represent much more than a purely nationalistic approach to the problems of Europe and the world. I am happy to see that this was confirmed by France herself in the warm reception which the government of France gave to the secretary general of the United Nations a few days ago in Paris.

In recent months Franco-Canadian programs have been set in motion which will result in closer educational and cultural links. Our investment relationships are also actively under study, and we are looking at a number of other fields in which there may be some possibility for mutually beneficial links—immigration, defence production, science, tourism and so on. Neither we nor the French expect to see spectacular changes overnight, but we are working to create a new atmosphere or a new structure in our relations.

I might add here that we in no way think of this new relationship as one of interest only to French speaking Canadians. May I quote what the Prime Minister said at our dinner last January in honour of Monsieur Pompidou, the French prime minister. I quote the Prime Minister of Canada:

> In English speaking regions of Canada, there is a much greater interest in the French language and French culture, the role of which is being increasingly appreciated as an essential element in our nation. This development brings about, quite naturally, a renewal of interest which serves most appropriately our relations with France, and this, I can assure you, is not limited to the province of Quebec...The two governments are fully alive to the opportunities offered by the dynamic progress within the two countries.

I have spoken of our relations with France. Turning to the commonwealth, I might say that we look forward with pleasure to the holding of the third commonwealth education conference here in Ottawa from August 21 to September 4. It will be recalled that, as a result of the commonwealth trade and economic conference held in Montreal in 1958, a commonwealth education conference was held in Oxford in July of 1959. This meeting recommended the development of four types of commonwealth co-operation in education; the scholarship and fellowship plan, the training of teachers, the supply of teachers, and technical education. Developments in all these fields were reviewed and new areas of co-operation examined at a second conference held in New Delhi in January, 1962.

Mr. Vincent Massey has agreed to accept the office of president of this meeting, and this is yet another example of his high sense of national duty and of the valuable contribution he has made to Canada. The Canadian government, provincial departments of education and the whole educational community are giving their full support to this important conference. The activities in the field of educational co-operation which will be discussed at the Ottawa meeting have already brought benefits to all commonwealth members, and provide an example of the constructive partnership for which the commonwealth stands.

I should like to say that much thought is being given these days in many places to the commonwealth. It is a unique institution, as we know, which has evolved along lines which are capable of promoting the interests of its members and the improvement of international understanding. Admittedly it faces problems which may test its adaptability and cohesion, but we have no doubt it will weather these storms. The prime ministers' conference in July will address itself to many of these problems. There will be a continuing search for methods to maintain its character and its purpose. It could be that the commonwealth education conference provides the kind of activity needed to realize these objectives, as we pointed out to Mr. Sandys, the secretary of state for commonweath relations, when he was here in Ottawa a few days ago.

At the end of The Hague meeting I accepted an invitation from the German foreign minister to go to Germany. No secretary of state for external affairs had visited Germany since the war, apart from attendance at a NATO ministerial meeting held in Bonn. It was thought that it would be desirable for me to pay a visit to this leading allied country at this time, a country which has so successfully constructed a modern democratic state on the ashes of nazi tyranny.

Our relations with the German federal republic are important. We have more trade with Germany than with any other European country, nearly $200 million more than with France, for example. There are in Canada now almost a million people of German origin, while we have in Germany, if we include the families of our soldiers and airmen, about 25,000 Canadians.

I therefore agreed to go from The Hague to spend some time with the German foreign minister, Mr. Gerhard Schroeder, in Bonn and to spend a day in West Berlin before returning home. I can say that Mr. Schroeder gave me a full and clear account of the thinking of his country on the great problem which must preoccupy all Germans so long as their country remains divided. That, of course, is the problem of German reunification. He said again, as his government has said countless times, that modern Germany has renounced the use of force as a means to attain its objectives. I said that the government of Canada understands and supports the Federal Republic of Germany in every peaceful effort to reunite its peoples through the exercise of their right of self determination in freedom.

I think there are many points of similarity in the Canadian and present German outlook on the future of Atlantic co-operation. Like us, they want to see European integration pursued within an Atlantic framework. Like us they want the Kennedy round to succeed and so contribute toward the liberalization of trade on a world wide basis.

I am glad, as I am sure the whole house will be, that we shall have an opportunity to welcome Chancellor Erhard and Mr. Schroeder here when they visit us from June 9 to June 11. Apart from the United States and Britain, Canada will be the first country outside the European common market that Dr. Erhard will have visited since he became chancellor. He has been here before and we look forward to seeing him again. Both the economic regeneration and the political transformation of modern democratic Germany owe much to the chancellor.

When I went to Berlin, I saw a different kind of evidence that Germany is not what it was when I last visited that country in 1936. As many of you who have been there know, there is not a single landmark left of whole aspects of the Berlin I had known. Much has been rebuilt, and there are impressive new industrial and urban developments. But as one gets to the frontier of freedom, where East and West Berlin meet, there are gaping reminders of Hitler's war. Through this area, formerly the heart of the city, runs the wall, that stark, horrible monument to the failure of a system. For if the communist system in the eastern zone had not failed so lamentably why would from 3,000 to 5,000 persons a week have tried, at the risk of their lives, to escape westward to freedom? From the boundary of West Berlin it is like looking at the outside of a great concentration camp. There are armed guards, machine guns, lookout towers, row upon row of barbed wire, tank traps, houses demolished or their boundary windows bricked up, railways and subways blocked and guarded, as if the life of that regime in the east depended upon stopping people at all costs from escaping to bear witness to conditions under communism.

The German problem, Mr. Chairman, is the centre of the European problem and certainly also of the relations of the west with communist countries. The solution of the German problem could open up a real understanding between east and west. It is important for a country like Canada to understand this problem, to understand the position of some of our NATO partners, to analyse our attitude and our assessment of the reactions of the Soviet union to any proposed solution.

I have dwelt principally on the relations between the west and the communist countries and within the western community itself. Both these preoccupations converge in the disarmament discussions being conducted in the 18 nation committee in Geneva. It is there that the four NATO nations, Britain, Canada, Italy and the United States, are in a sense, acting for their alliance partners in the continuing search for controlled disarmament and, in the meantime for any measures to ease international tension and avert the possibility of war by miscalculation or surprise attack. It is there, too, that both the communists and the non-communists feel the full weight and influence of the non-aligned nations as represented by eight of their number from all the continents.

While I was in Geneva at the end of March, I attended a session of the 18 nation disarmament committee and reaffirmed Canadian support for its activities. May I add, Mr. Chairman, the last time I had been in the room where that meeting took place was in 1938 when, with Mr. Lapointe, I had gone as one of the delegates from Canada to the last assembly of the league of nations. I could not help but think, as I sat in that room, of all that had happened since 1938, both in human and physical destruction in our world; I wondered whether our deliberations would lead to the beginning of a resurgence and of a new opportunity for mankind.

At that meeting I stressed the need to follow up the accomplishments of 1963 with further advances toward halting the arms race. While the negotiation of a treaty on general and complete disarmament is the main task of the committee, discussions over recent months

lead to the conclusion that the way to general disarmament must be prepared by agreements on more limited collateral or pre-disarmament measures.

I therefore took the opportunity to state Canadian views on a number of measures which have been proposed. I expressed Canadian support for President Johnson's recent proposal for a verified freeze on the numbers and characteristics of strategic nuclear weapons delivery vehicles. It is a proposal of particular interest to Canada because those long range weapons systems constitute the direct threat to North America. It is also consonant with our view that every effort should be made to arrest the ever growing qualitative and quantitative competitions in armament production. A verified freeze on strategic delivery vehicles would provide a practical means to that end. A halt in this most costly and potentially dangerous segment of the arms race would do a great deal to help us all find an agreed method to reverse the process and begin disarmament in earnest.

I welcomed also the proposal which has been made in differing form by both the United States and the Soviet union for a bomber bonfire. An early agreement to destroy some of the major means of delivering nuclear weapons would reassure a sometimes sceptical world that the great powers are really serious about disarmament. It would have the added advantage of ensuring that these aircraft, obsolescent perhaps by super-power standards but still potentially lethal, would not be disposed of to less militarily powerful states which might use them in a way which would aggravate regional disputes.

On the question of non-dissemination of nuclear weapons, I voiced continuing Canadian support for an agreement based on the terms of the well known Irish resolution of 1961 and for a comprehensive ban on the testing of nuclear weapons. I spoke in support of the progressive development of an international system of safeguards over the transfer of fissionable materials for peaceful uses. All these measures merit our continuing support as important elements in limiting the number of nuclear weapons in the world and the number of nations having independent national control of them.

I am satisfied, after watching the disarmament committee in action, that it can make real progress toward the solution of disarmament problems. Both the Prime Minister and I, at one time or another, have had an opportunity of sitting in disarmament committees, as have my hon. friends opposite, who will understand what I am saying. I believe, however, one should be realistic in the appraisal that one makes. This committee has before it ample material for constructive negotiations when discussions are resumed on June 9. If the committee concentrates its efforts on these items which, taken singly or in some combination, offer good prospects of advance, it should be able to report to the next United Nations general assembly that we have moved a few steps further toward the goal of a disarmed and peaceful world.

An important advance, indeed the only one, in the field of disarmament since the turn of the year was, however, arranged outside the 18 nation committee. In unilateral but coordinated announcements the President of the United States, the Prime Minister of Britain and Chairman Khrushchev indicated, on April 20, the intention of their governments to cut back production of fissionable material for weapons purposes. Although not identical in content or necessarily equivalent in their effect, the announced measures are nevertheless a further step in the direction of curbing the arms race and as such are welcomed by Canada. They could mark the beginning of a process which could eventually lead to a complete and verified cut-off in production of fissionable material for weapons purposes and to a substantial transfer of such material to peaceful uses.

Because the development and strengthening of peace keeping machinery have a direct relation to disarmament negotiations, I used at Geneva the example of Cyprus to illustrate the continuing need for strengthening the ability of the United Nations to undertake such operations while attempts are being made to work out general disarmament plans. The draft disarmament treaties of both the United States and the Soviet union include provisions for the development of international peace keeping methods which would take the place of national armed forces in a disarmed world. Cyprus and a number of other examples have, however, demonstrated that in the meantime we must be able to cope with a wide variety of situations by means of ad hoc peace keeping arrangements, the efficiency of which should and could be improved.

As the Prime Minister said on May 7, we are issuing invitations to a number of nations with experience in this field to attend an exploratory conference in Canada within the next few months. We are following up with detailed suggestions as to the pattern which such a joint examination of this problem might follow. Out of it we hope to obtain not

only improved methods by which those nations can prepare themselves for peace keeping service under the United Nations, but some concrete conclusions which could be made available to other interested states and which would perhaps encourage them to set up stand-by units within their national forces.

Speaking of the United Nations, I know I can say for all members of this house that we are looking forward to the visit on Monday and Tuesday next of the United Nations secretary general, U Thant, who will address the combined Houses of Parliament in this chamber on Tuesday morning. He will find us a nation dedicated to the charter of the United Nations, as has once again been demonstrated by Canada's contribution to the difficult peace keeping operation on the island of Cyprus.

I regret taking up all this time, Mr. Chairman, but I did feel that a comprehensive statement on these matters was due to the committee, and there are two matters of current interest upon which I cannot refrain from speaking, particularly in the light of the assurances I gave several times this week in answer to questions on orders of the day.

So much has been said in the house about Cyprus that I would not feel justified in entering into a detailed recapitulation of the United Nations operation there, either in respect of the peace force or the concurrent endeavours of the mediator. I would, however, like to give the house a brief account of how this matter was dealt with at the recent NATO meeting, where it became in fact one of the principal preoccupations of the assembled ministers.

I went to The Hague representing the only country at that meeting which is participating in the force—

Mr. Churchill: What about Britain?

Mr. Martin (Essex East): —although two days later the foreign minister of Denmark was able to announce that his country's forces had just arrived in Nicosia. And, of course, as the hon. gentleman says, the United Kingdom is a member of the force and is also a member of the NATO council. But the United Kingdom had a force on the island long before the United Nations force was established, and did an essential job in dealing with a most difficult situation.

Mr. Churchill: And it is still the major component.

Mr. Martin (Essex East): It is the major component, with some 2,700 troops, and it is bearing a heavy responsibility.

I went to The Hague convinced that advantage should be taken of that NATO meeting to impress upon the Greek and Turkish foreign ministers two points; first, the concern of all other members of the alliance over the weakening of the southeastern flank of NATO resulting from the deterioration in relations between these two countries because of Cyprus; and second, the need for these two countries to exercise restraint in their relations with each other as well as a moderating influence on the two communities in Cyprus in order that the peace keeping and political mediation of the United Nations might be facilitated.

I met separately with the foreign ministers of Greece and Turkey both before and during the meetings. I listened to their views and pointed out to them my grave concern. I can say that these preliminary and other discussions were very helpful in furthering mutual understanding of our various preoccupations.

Hon. members have already seen my references to relations between Greece and Turkey and to the Cyprus situation in the conference statement which the Prime Minister tabled on May 15. Other foreign ministers also expressed concern that the solidarity and strength of the alliance should not be prejudiced by a deterioration in relations between Greece and Turkey, and spoke in support of the United Nations operation there. I believe it will be a matter of pride to members of this house that practically every foreign minister who took part in the discussion referred to Canada's participation not only in peace keeping in Cyprus but in practically every other peace keeping operation under the auspices of the United Nations.

It was agreed after some discussion that the secretary general of NATO should keep in touch, pursuant to recommendations made by the committee of three in 1956, with Greece and Turkey in order to be available to assist in easing relations between these two allies. In effect the NATO secretary general has been given an informal watching brief over a situation affecting the relations of two member countries.

Because of our preoccupation with Cyprus, this was a valuable part of our meeting at The Hague from my point of view. I want to make it clear that there has been no infringement by NATO of United Nations responsibilities in Cyprus. Exclusive responsibility for restoring peace and promoting a political settlement in the island rests with the two Cypriot communities assisted by the United Nations force and the United Nations mediator. But a quite separate responsibility,

which has now been recognized, rests on NATO to see to it that the actions of none of its members either weaken the alliance or render the task of the United Nations in Cyprus more difficult. War between Greece and Turkey is unthinkable—unthinkable for NATO and unthinkable, as I told the foreign ministers concerned and as others did, for the two countries themselves. I think the recent frank airing of this problem in the council gave all the members an opportunity to express their concern and to offer assistance to Greece and Turkey in restoring good relations, and thereby contributing also to an improvement in intercommunal relations in Cyprus.

Mr. Chairman, we are reading these days about a developing and critical situation in Indochina that concerns Canada. Although the Cyprus operation under the United Nations auspices has been a constant and urgent preoccupation over recent weeks, other peace keeping duties continue as we know to be discharged by our country. Some, such as the United Nations emergency force in Gaza and the observation mission in the Yemen, are going forward quietly. Another major operation, that in the Congo, is scheduled to be wound up next month, four years after its inauguration.

Of renewed importance, although outside United Nations auspices, are the truce supervision activities in which we are engaged in the three Indochina states of Viet Nam, Cambodia and Laos. It is now almost ten years since this country undertook, at the request of the participants in the Geneva conference of 1954 on Indochina, to serve along with India and Poland in the three international supervisory commissions for these three Indochina nations. Indochina is once again in a state of crisis, and I believe I have the responsibility to explain the Canadian government's position with regard to some of the unfolding events in this area.

In South Viet Nam there is now a full scale civil war supplied, directed and inspired from communist North Viet Nam. This civil war runs the risk of becoming an international war, because the communists continue to encourage their communist fellows within South Viet Nam and to provide them with help in the form of strategic direction and infiltrated supplies of arms and trained personnel, while the United States for their part have responded to the requests of successive South Viet Namese governments for help in the form of training and equipment against this externally organized and supported insurgency.

[Mr. Martin (Essex East).]

Both the government of the United States and the government of South Viet Nam have made it clear that if the North Viet Nam government and its backers will cease to interfere in South Viet Nam, military aid from the United States will not be necessary. There is no question of any attempt by the south to take over the north, nor of the United States desiring to maintain bases in the south. What is required is for the communist north to abandon its policy of interfering in the south. Our delegation to the commission there reports to us as an independent body, and I am satisfied that the assessment made by Canada, on its own, represents the actual situation.

There have been suggestions that neutrality would be the best policy for Viet Nam. I would not disagree with this as a long term objective; we are already agreed that it is the desirable policy for Cambodia and Laos. But can there be any doubt that supporting a nominally neutralist South Viet Nam would, in present circumstances, make that territory become anything other than an early victim of communist subversion? I believe that genuine, viable neutrality for Viet Nam can become possible, but I think it will become possible only after the present insurgency is brought to an end.

The role of the commission on which Canada serves in this situation is very difficult. Yesterday in the security council Mr. Stevenson criticized the effectiveness of the commission. A large part of the original terms of reference of the commission has become a dead letter. But the commission has performed the useful function of examining South Viet Namese charges of subversion from the north, and has presented a special report to the co-chairmen of the 1954 Geneva conference stating its positive findings. It has not done as much as we would have thought necessary. In particular we have believed and proposed repeatedly that the consideration of cases of subversion should have been and should be more expeditious. In the critical situation obtaining in Viet Nam the commission's duty to point to breaches of the cease fire agreement becomes more rather than less urgent. We shall continue to press our commission colleagues to take the same view of the commission's duties as we do.

One unfortunate offshoot of the war in South Viet Nam has been a series of violent border incidents with Cambodia. South Viet Namese troops repeatedly cross the Cambodian border and we are told that they do so in hot pursuit of Viet Cong insurgents seeking to take refuge in Cambodia after operations in Viet

Nam. We in Canada—and I have made this clear before—support Cambodian neutrality and territorial integrity and therefore are doing what we can to try to find some way to bring these incursions to an end. Although this is not, strictly speaking, among the functions set out for the commission in Cambodia in the Geneva agreements, we have allowed it to be used to investigate such incidents and are ourselves trying to use it to see whether some more satisfactory arrangement can be made.

Yesterday Mr. Stevenson made a number of proposals in the security council in the course of the debate on the Cambodian complaints against Viet Nam. The proposals concerned various means by which the Cambodian-Viet Namese border might be insulated from the effects of the communist insurrection in Viet Nam. These proposals merit careful study. We have long felt that the Geneva framework for Cambodia was not designed to deal with situations that might arise along the frontier with Viet Nam. We should therefore welcome all suggestions that could lead to the lowering of tension on the frontier between these two countries. Whether they are related to the Geneva framework or not is of less importance than their possible efficacy in correcting a dangerous situation. I am sure that when we discuss the problems of these countries it is not easy for us to recognize the extent to which we in this interdependent world, whether we like it or not, are obliged in our own interests, as well as in the interests of world peace, to find that these matters are of vital concern to us.

Laos is also the unfortunate victim of the confrontation between communist and non-communist forces. An attempt was made at Geneva in 1962 to bring about conditions which would permit Laos to be united, independent and neutral. My hon. friend the former secretary of state for external affairs attended the conference in 1962 when we were brought in as a direct member of the conference. At the present time that country is, in all but name, a divided country. One part of it is held by right wing forces which have been far from blameless; they have done many things which have made the task of the neutralist prime minister, Prince Souvanna Phouma, more difficult. But at least they have co-operated in some measure with the prime minister, and the areas they hold are generally open to inspection by the international commission of which Canada, I wish to emphasize, along with India and Poland, is a member.

The areas held by the communist Pathet Lao are closed to the commission except upon rare occasions, and the Pathet Lao faction has been unco-operative to such a degree that one is forced to the conclusion that it really prefers the partition of the country to its unification under a neutralist government. Their latest military attacks in the plaine des Jarres cannot be justified by any political manoeuvring of the right wing in Vientiane. Our delegation to the commission has consistently supported both the authority of the prime minister and the obligation of the commission to carry out its duties under the Geneva protocol of 1962. Unfortunately we have not received the degree of co-operation required for success. The commission has to act by majority vote, or in certain circumstances by unanimous vote.

The prime minister of Laos has proposed that in view of the gravity of the situation the members of the 1962 conference on Laos should hold consultations as provided by article 4 of the Geneva protocol. The government of France has now indicated its support for this proposal in notes to the co-chairmen of the Geneva conference, Britain and the Soviet union. It seems to me that consultations under the protocol could have a salutary effect on the present crisis, and I have already instructed our commissioner in Vientiane to let it be known that Canada would be willing to take part in such consultations arranged as a result of the proposal made by the prime minister of Laos. It will, of course, be for the members of the Geneva conference to decide whether any consultations which are agreed upon should take place with all the formality of an international conference or, perhaps preferably, in some less formal way.

I recognize, Mr. Chairman, that this has not been an encouraging picture of the state of affairs in Indochina, an area where Canada has for 10 years now, at great expense to our people, sought along with India and Poland and other countries to bring about peaceful conditions. The key seems to lie in Viet Nam, and if the communists would renounce armed subversion a great step forward would have been taken toward restoring peace and stability to the area. Political solutions seem hardly possible for Viet Nam as long as the present militant communist interference in South Viet Nam continues.

I am afraid, Mr. Chairman, that I have taken too long, but really I do not apologize because these are matters on which parliament has a right to hear from me. I recognize that time has prevented me from dealing with many other questions, such as

external aid, international economic development, desirable changes in the United Nations, and the organization of American states. These and other questions will undoubtedly be covered in our discussions here and in the external affairs committee when my estimates are being considered.

The wide area covered by what I have had to say, Mr. Chairman, points up the fact that our world is interdependent. When I think of the questions with which I have to deal I cannot help but go back to my early days in this house 28 years ago when there was little discussion of foreign affairs and when it was regarded almost as presumptuous even to put a question having to do with the foreign policy of the nation. All that is changed because our world is changed, and with that change has come perhaps a heavier responsibility for parliament than it realizes. Canada cannot escape its responsibilities in matters which a few years ago were not regarded as our concern. We are drawn into the maelstrom of a disturbed world. We are not one of the great powers, but self respect and international obligation present us with a duty and an opportunity. Although we are not one of the main architects of the world's destiny I believe we will not shirk our responsibilities in seeking to establish better conditions for peace among the nations.

Mr. Nesbitt: Mr. Chairman, it is about one minute to one o'clock, so I was wondering whether we might call it one o'clock.

The Chairman: Is that agreed?

Some hon. Members: Agreed.

The Chairman: It being one o'clock I do now leave the chair.

At one o'clock the committee took recess.

AFTER RECESS

The committee resumed at 2.30 p.m.

Mr. Nesbitt: This morning, Mr. Chairman, the Secretary of State for External Affairs gave us a very wide ranging comment on very important aspects of international affairs, but during his discourse he did not say very much about what the government actually intended to do. He certainly pointed out the problems and the difficulties, but he did not offer too many solutions. As we know, in this aspect of government it is not always possible to present solutions until they have been worked out with other countries, but surely at least in some fields the minister could have given some clarification of what government policy is, or will be, and it is to these particular fields I will refer in the course of my remarks.

As it was, the minister's speech was mostly concise, and a very interesting résumé of what we have all been able to read in the *Times*, both the London and New York varieties, in the *Christian Science Monitor* and elsewhere during the last few months. As a matter of fact, in the case of Cyprus we have been able to find out more by reading the press than we have been able to find out from the minister in this chamber.

On repeated occasions over the last few weeks and months various members of the committee have tried to find out, both from the Prime Minister and the Secretary of State for External Affairs, what directives were given to the United Nations force on Cyprus, and on every occasion, as I recall, either the Prime Minister or the Secretary of State for External Affairs said these could not be divulged because it would cause embarrassment to the United Nations, or it was not possible to give out these details because it would complicate matters on Cyprus. Perhaps that is true. Having had some experience in this field on other occasions, notably with the Congo advisory committee, there is perhaps some merit in what the minister said in this regard, but I could never completely understand why it was not possible to disclose the directives given to the United Nations force on Cyprus.

I am sure these directives must have been known to a great many people on Cyprus, and I fail to see how it could have caused any embarrassment to the government to disclose them. I have in front of me a publication called "Report on Foreign Affairs" published by the general council of the parliamentary association in England, and this issue is for January, February and March of 1964. As most members know, it is an extremely reliable publication, and I would refer Your Honour to page 6, the middle of that page, where it lists a number of the directives given by the secretary general of the United Nations to the United Nations force on Cyprus. I quote as follows:

> The following points were understood to be among the 14 laid down by the secretary general: (1) the force should not interfere in the internal affairs of Cyprus; (2) it should not use arms to disarm Greek or Turkish Cypriots and should fire only in self-defence; (3) it would be the aim, though not a mandate, to attempt integration of the U.N. force with the Greek and Turkish contingents in Cyprus (which, under the Treaty

of Guarantee, numbered 950 and 650 respectively); (4) a clear distinction was to be made between the British contingents which were part of the U.N. force and fell under its command, and British troops manning British bases; (5) the disarming of Cypriot irregulars was not to be enforced by arms, but other measures might be used; (6) a status-of-forces agreement was to be negotiated between the Cyprus government and the U.N.

Then it goes to mention a number of comments on these directives which allegedly have been given by the secretary general to the force on Cyprus. If these in fact are some of the directives, and I have reason to doubt that they are, I cannot see any reason why there would have been any embarrassment to the government or the United Nations in disclosing them to us.

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

Mr. Nesbitt: Certainly.

Mr. Winch: You are reading out the directives as you know them, or as we know them. Is there any way to interpret the directives to say that, if a member of the United Nations force is killed, as one has already been, they cannot then disarm those who fire?

Mr. Nesbitt: I thank the hon. member for Vancouver East for the question. Having looked at these alleged directives as set out in the article, there does not seem to be any specific directive among the ones listed here to cover that situation, except perhaps No. 2 which says:

2. It should not use arms to disarm Greek or Turkish Cypriots and should fire only in self-defence;

Mr. Winch: My question was not exactly that. Can they not disarm those who fire, until somebody is killed?

Mr. Nesbitt: There is no such directive listed here. However, it says there were 14, but the article lists only six of what are understood to be the directives. Presumably there are other directives which the author of the article did not ascertain or did not care to publish. It may be, as I have already mentioned, that some of the other directives might have caused some problems if they had been disclosed, and with regard to the question just asked, possibly a directive of that nature might have caused some trouble. But certainly the alleged directives published in that article could not have caused any problem. Indeed, they do not seem to have, and I cannot understand why those directives at least were not disclosed to the house.

Mr. Martin (Essex East): May I point out that those were the terms of reference which have already been tabled in the house.

Mr. Nesbitt: I have read those terms of reference. I have them here and I have looked at them carefully. They are similar but they by no means coincide with the other ones to which I have referred. I do not have much more to say on the Cyprus situation at this time. Certainly there were great difficulties involved in the preliminary aspects of the Cyprus venture. I repeat that at the moment things appear to be going very well, with the exception of the incident in which a Finnish soldier was unfortunately killed and became the first casualty in the force. I am sure all members of the house will wish to express their sympathy to the government of Finland in this regard. But at the moment things seem to be going fairly well and all we can say is we hope they will continue to do so. The minister may be sure that if they do not there will be further inquiries as to the extent and terms of our participation in this venture.

I noted certain observations that the minister made during the course of his remarks this morning and there are a number of questions I should like to ask him. I hope he will have an opportunity to answer them toward the end of this debate. The first matter I should like to ask the minister about has to do with mainland China. In his discussion of the China problem this morning he made it quite clear that as far as cultural and trade relations with mainland China are concerned things are going very well. I think we would all agree to that statement. He also expressed the hope that these enterprises would continue and expand, and again I think we would all agree with that.

However, in discussing the apparent attitude of the Peking government with regard to war, and nuclear war in particular, the minister indicated, as I recall, that it was by no means certain whether or not the Peking government had entirely renounced the idea of a nuclear war. Then the minister made what I thought was a very odd observation. I noted it carefully and I should like him to clarify it for us. In discussing the matter of China's intentions as to nuclear war the minister said, as I noted it, that we should test the intentions of the Chinese government in this regard. That struck me as a rather startling observation because, if I may say so, it was reminiscent of a certain now deceased but well known secretary of state who on frequent occasions advocated a policy of brinkmanship. I hope the Secretary of State for

External Affairs was not suggesting that we should keep pulling the dragon's tail to see if it will spew forth fire.

Mr. Martin (Essex East): Of course not.

Mr. Nesbitt: I simply refer the Secretary of State for External Affairs to his statement. For this reason I hope he will offer some explanation or enlargement of this rather odd observation.

Another question I should like to put to the minister concerns the possible seating of the Peking government of China in the United Nations this fall. The minister indicated that he was rather concerned and had reason for concern that perhaps the credentials of nationalist or Taiwan China might not be accepted by the credentials committee of the United Nations this fall and that either this year or perhaps next the credentials of Peking China would be accepted. He indicated there would be certain problems with regard to what Canada would do in this event. Would Canada sit in the United Nations and not speak to Peking China, when we are trading with that country, or what would we do?

The minister put forth the question in a very interesting way but he did not offer any suggestions as to what the government might do in this regard. While at the moment this may be a hypothetical question, I wonder whether the minister could not enlarge a little on what he would expect the government would do if this should take place, inasmuch as he indicated that there is a reasonable likelihood of its happening. Later in the debate one of my colleagues will be making further remarks on the subject of China so I will not continue any longer in this vein, except to say there is one other matter I should like to bring to the attention of the minister on which he might perhaps seek the advice of his departmental legal adviser.

I refer to a rather interesting proposition which has been suggested to me. I do not know what the answer is and I hope the minister will be able to give one. In the event that the credentials committee of the general assembly should not accept the credentials of nationalist China but rather accepts the credentials of Peking China at the next general assembly or the one after, and Peking China is then seated in the general assembly, does this necessarily affect the credentials of Taiwan China in respect of its seat on the security council? This could present a most interesting state of affairs.

While from a practical viewpoint it would seem quite ridiculous that there could possibly be a situation where Taiwan China would be seated in the security council and Peking China would be seated in the general assembly, after a brief and cursory examination of the terms of the charter I am not at all sure that this could not be the case. The security council would have no veto over the credentials committee of the general assembly, but I would be interested to hear what the minister can find out from his department in this regard. As I have said, it does not seem at all logical, but legal aspects are not always logical aspects as we all know. We know, for instance, that the Soviet union has refused to pay its assessments for the various United Nations peace keeping expeditions, because of a very tenuous and technical legal argument. I would think it would be helpful to get some further enlightenment on the interesting possibility to which I have referred.

If I may now deal with the minister's observations on NATO, he gave us quite a bit of information as to his travels to Paris, The Hague and West Germany. I am wondering whether the minister visited London at any time during the course of his travels, or had the minister visited London before his trip to the last NATO ministerial meeting at The Hague? I realize that the visit of the minister and the Prime Minister to France, and the minister's visit to The Hague, West Germany and West Berlin are very important, but I also think that our relationships with the United Kingdom are likewise very important. Therefore I am wondering whether the minister has not been there yet. Visits have been made to Washington since the government has been in power, and I should like the minister to make some comment in this regard.

A year ago at the NATO meeting here in Ottawa it was decided, as I recall, that a review of the NATO defence role and NATO's requirements would be carried out. So far we have not had a report on this matter and I wonder whether the minister can enlighten us in this regard.

With regard to the matter of disarmament the minister was certainly very hopeful and enthusiastic. I can remember my first association with the minister back in 1955 at the United Nations, at which time he was also very enthusiastic and hopeful. We all have been since, but I think we are all sorry to have to say that there has not been that much progress. Therefore I believe a somewhat more realistic and practical view should be taken of disarmament. In my opinion all of us, including the minister, well know that

disarmament is a long, long, slow, tedious process. It is a matter of two steps forward and one step backward, three steps forward, four steps backward, five steps forward and so on. It is a long drawn out affair. We are all hopeful, and perhaps conditions are propitious in the world at the moment because of the détente between the Soviet group of states and the west. We certainly hope there are further steps.

I am glad to see the minister is now so enthusiastic and so hopeful, because he did not seem to have that same degree of enthusiasm and hope when the former secretary of state for external affairs, Hon. Howard Green, was expressing those views. In those days, Hon. Howard Green was expressing the same hope and enthusiasm for the success of the disarmament negotiations and making every effort in these talks, but the present minister was full of worry, reserve and fears about the future of disarmament. Now that he is back in office, he seems to have another view. Of course the views you have on various things all depend on where you sit in this house.

Since the minister said in his opening remarks this morning he was intending to cover only a certain number of fields in international affairs, because in any reasonable length of time it is impossible to cover the whole gamut, I intend to limit my remarks to certain aspects. My colleagues, at another stage, will be dealing with other aspects, particularly those relating to external aid and assistance. There are two or three items with which I should like to deal specifically this afternoon. One is the peace keeping operations of the United Nations. Another one is our problems in the Pacific. Another one relates to the organization of American states. This latter subject was always a great favourite of the minister until he became a minister. We have not heard very much about it since then. However, perhaps I will be able to remind him this afternoon of his views in the past.

With regard to the United Nations peace keeping operations, I agree with the minister's remarks this morning in which he stated that the three principal peace keeping operations that we associate with the United Nations namely the one in the Near East sometimes known as UNEF, the Congo and Cyprus, have been largely successful operations. Perhaps it is a little too early to say this about Cyprus, but at the moment it seems to be progressing well. We hope it will be as successful as the previous two.

These operations have been successful in so far as the political results that have been obtained are concerned, but they have not been so successful in so far as payment for them is concerned. As everyone knows the Soviet union has refused steadfastly to pay anything towards its share of the assessment for these operations. In so far as the Congo is concerned, France and Belgium have behaved in the same manner.

As I indicated earlier the Soviet union, as the result of a very tenuous legal argument which was not upheld by the judgment of the world court in 1962, has refused to pay for the Near East and Congo operations. This argument was based on the fact that the resolution was passed, not by the security council but by the general assembly. As I say, the world court has not accepted this argument advanced by the Soviet union, but that has not made any difference. The Russians are still literally sticking their tongue out at the United Nations and refusing to follow the rules of that organization. Of course, there are other reasons for the refusal of the Soviet union and France to pay their share of this assessment. I think the situation would be different if the late Premier Lumumba were still in power in the Congo. Then the Russians would have been only too glad to pay their share. This not being the case, they have not done so.

Only this morning I heard a news bulletin to the effect that the Soviet union had again flatly refused to pay any amount of its assessment for the Near East and Congo operations. As I understand it, this did not include the Cyprus operation because this venture was started in the security council. While the Soviet union did not vote against it, they participated and I think made it quite clear they were not excluding the possibility of helping to pay for this operation.

Mr. Martin (Essex East): With regard to Cyprus I know of nothing that would warrant the view that she indicated she would.

Mr. Nesbitt: I realize that, as the minister has said, the Soviet union has given no indication she would pay. On the other hand, she has given no indication she would not pay. Since her argument in connection with the Congo and UNEF were that the security council had not passed the resolution in the first place, and since she said nothing when the security council passed the Cyprus resolution, it is perhaps reasonable to hope she may contribute.

Then, we are faced with the question, what should we do about it? If the Soviet union

and France continue to refuse to pay, in the one case for both the UNEF and Congo operations and in the case of France for the Congo operation, after being ordered to do so and after vetoing the decision of the world court, then some kind of action must be taken. Under the charter, of course, these countries could lose their voting rights in the assembly if they do not pay. As I understand it from various press reports—I have some here but I will not take the time of the house to read them—the Soviet union has given an indication it would have to change its attitude towards the United Nations in the event its voting rights were suspended. The implication is she might leave the United Nations and she would be accompanied by a number of her satellites if she did.

One of the views one hears expressed is, if the Soviets want to walk out, let them go; that if the Soviet union will not pay its share of the cost of these operations, the United Nations may as well break up anyway. This is one viewpoint that is expressed. If a country will not follow the rules, you may as well call the whole thing off right here and now. You have to have a confrontation or showdown with the Soviet union and France in this regard. You cannot go on forever placing the burden on a few countries like Canada, Norway and Sweden that do all the work and pay the bills as well, although funds have been contributed by some other countries including the United States and Britain.

Many people, however, believe that if the Soviet union were actually confronted with this situation whereby she might lose her vote, she would back down in the same way as she backed down in 1961, when she was insisting that there be a troika or three-headed secretary general, and also when she was carrying on a particularly bitter personal campaign against the late secretary general, Mr. Hammarskjold, trying to get him out of office. I remember it well, since I was there at the time. When the Soviet union found this behaviour was not acceptable, particularly in so far as the smaller countries she hoped to influence were concerned, without turning a hair she just backed down and changed her whole attitude. After the late secretary general was killed, there was no further insistence on a three-headed secretary general, and the present secretary general, U Thant, was accepted. Many people feel that this is a bluff by the Soviet union and that if the bluff were called the Russians would back down because it is in their interests to remain in the United Nations. It is useful for several purposes. There is also the fear of the great opprobrium which would come to the Soviet union from the smaller countries she hopes to influence. Russia would have no choice but to remain.

Another point of view is, of course, that if some face saving device could be found for the Soviet union so that she would not have to pay for UNEF and the Congo, she might remain in the United Nations. Perhaps in this regard some compromise could be worked out. Such a compromise proposal was suggested by the United States representative, Mr. Adlai Stevenson, in a speech to the United Nations which was reported in the New York *Times* on March 24, last. I have the quotation here and perhaps I could read it.

> Mr. Stevenson said the United States wished to discuss with the Soviet union a new United States-British plan under which all proposals for future peace keeping forces would be submitted, in the first instance, to the security council—

That would take care of the Soviet objection.

> —and a new standing committee of the assembly would recommend the assessments required for the force.

That is the alternative suggestion—that some such plan as this should be negotiated if possible with the Soviet union. I believe this would be the wiser course. Failing this, the bluff, if such it be, might be called, and we would then see what happens. Another view I have heard expressed is that if the Soviet union proved not to be bluffing, if that country did, indeed, walk out of the United Nations, thus ending its effectiveness to all intents and purposes, such an action might enforce the revision of the charter, a reform which is badly needed. We can all suggest dozens of ways in which the charter could be improved. The present system of one vote, one country, is clearly nonsensical. It has created a situation where countries such as the United States and the Soviet union have one vote, just as do countries like Zanzibar. No provision is made for representation on the basis of population, or resources, or anything else. The system is completely out of touch with the realities of the world. In the last few years many new nations have joined the organization. In many cases their territories are purely arbitrary; it is not going to work out. Well, it has been suggested that if the Russians did walk out, one of the reasons for their doing so would be to bring about a revision of the charter, because revision of the charter by discussion would take a long, long time; it would probably be talked about for the next 50 years and then get nowhere.

The Chairman: May I interrupt the hon. member and bring to the attention of the committee the fact that his time has expired?

Mr. Martin (Essex East): I am sure we would all wish to allow the spokesman for the official opposition to extend his remarks.

The Chairman: Does the committee agree?

Some hon. Members: Agreed.

Mr. Nesbitt: I thank the Secretary of State for External Affairs and the other members of the committee for their courtesy. I shall try to complete my remarks as quickly as possible.

I was saying that even if the Russians did walk out after having been suspended for non-payment of assessments, it might not be as bad in the long run as it would at first appear, because their action might enforce a much-needed revision of the charter. I remember the last conversation I had with the late secretary general. At that time, in 1961, he was under heavy personal attack from the Soviet union and he looked very discouraged. He said: "You know, the league of nations was a great success". I guess I looked a little surprised, because he said: "I know you will think I am wrong but, after all, the league of nations was the first time in world history that anything of this kind had ever been done, and it was at least a start. The next step was the United Nations. We have gone much further and have been much more successful than the league of nations ever was. This organization is now getting into serious trouble. It is apparently unable to revise its own constitution by agreement. These difficulties will increase as the world changes and the constitution of the United Nations becomes outdated. The United Nations will have to change or it, too, will fail." I am quoting to the best of my memory from my conversation with the late Mr. Hammarskjold. Then he said: "If that happens, a third body will come into existence, one which will be more successful, and then a fourth." I remember his final admonition. He said: "You people in America, in Canada as well as the United States, tend to think of events in terms of five or ten years. We in Europe think in terms of one hundred or two hundred years. A thing like this, progress toward ultimate world government, may take a couple of hundred years before we are ready for it." I do not disagree with the late secretary general.

So, should the Russians be forced out of the United Nations the situation might not be as black as it would appear. As I have said before, we might get the necessary revision of the charter and the emergence of the United Nations in a new form, as many of us would agree is necessary. However, so that I may not be misunderstood, I again express my hope that the first alternative I suggested is workable, namely that agreement can be reached with the Soviet union with regard to the payment of future peace keeping operations and that some more peaceful and less extreme method of revising the charter can be found.

As to the nature of the peace keeping force, what kind of peace keeping force do we want? I think there are three requirements in connection with any such force. One is that it must be practical in world-wide political terms. Second, it must be effective. It must be ready for use at once. Third, it must be paid for. This is a matter about which we feel a little sensitive. Not only must it be paid for, but it must be paid for by all of the members of the United Nations, at least to some degree. When the general public thinks about a United Nations peace keeping force it imagines some kind of standing army kept on First avenue, New York. People have no conception of what is required. Such a force would obviously be too expensive. Besides, one could readily imagine the difficulties which would be involved if troops were sent to country X and country X was one of the countries involved in a peace keeping operation.

The arrangements made so far in this field have been good. They have been ad hoc arrangements, played by ear, as we say. The approach has been purely pragmatic. But the result has not been too bad. Action has been slow in developing and there has been little experience upon which to rely, but I think both our secretaries general have shown great wisdom and judgment. They have made a few mistakes, but who would not have done so in these circumstances? I think they deserve great credit indeed for the results they have been able to accomplish. Nevertheless, I think we should all like to see some type of arrangement whereby the secretary general is not driven out of his mind trying to work something out, and we hope that when these forces have to be raised in the future a more expeditious and efficient means can be used by the United Nations to deal with emergencies.

The United Nations has to be a pragmatic place. I think the idea now being developed

between Canada and the Scandinavian countries, the Netherlands and others, is a good start. I was pleased to hear the minister tell us that a meeting between these countries is to take place in Canada later this year. I should like to expand this idea a little. I would think this is a good nucleus for such a group of countries to try to get together to have forces ready and available, should the United Nations request them. What countries should contribute forces to such a group? Initially, I think, countries which have contributed forces in the past should form the nucleus. This is apparently what is taking place. Other countries, such as Colombia in South America should also be invited. It may be they have not been able to take part up to the present time, but they should have an opportunity.

I say, Mr. Chairman, that any of the countries which have contributed forces to the three major peace keeping operations should be the first to form this nucleus. This program could be expanded to cover any countries who are members of the United Nations and who might wish to contribute forces. First of all I would omit the big powers, the five permanent members of the security council; but at a later date I see no reason why even these countries could not offer to contribute forces if necessary.

Someone might say, "Well, how about the communist countries?" As the minister pointed out in his remarks this morning, the expression "communist countries" does not mean what it meant five or ten years ago. One might envisage this position in two or three years. If communist China should be in the United Nations and she had a border dispute with India, I imagine that Polish troops would not be unacceptable in such a situation. It would do no harm to try such a program, and I think eventually all countries wishing to offer troops to the secretary general should be allowed to do so. How they will be selected, of course, is a matter to which I will come in a moment.

The next thing is, should this group of countries be in the United Nations and directly under the jurisdiction of the secretary general, or should they be a quasi part of the United Nations, or out of the United Nations? As the Prime Minister and the Secretary of State for External Affairs have indicated, at the present time it is probably better to have the nucleus of such an organization outside the United Nations, but making themselves available—they would all be member countries —to the secretary general in a sort of an affiliated or associated way. I can understand full well the reasons why the minister would say this, and it is not necessary to go into them. The secretary general would perhaps be caused certain embarrassment at the present moment if this organization were to come directly under his jurisdiction. I think any hon. member will realize why I say this. Eventually, though, I think this organization, when arrangements for payment are made between the larger member states and the United Nations, should come directly under the jurisdiction of the secretary general.

It may be said, "How will these troops be made available?" Each country which offers to contribute troops to the United Nations should agree to have a certain number of troops trained and ready for United Nations use at 24 hours' notice. We in Canada have had these troops available for several years now, and I understand that the Scandinavian countries are passing legislation to do this. This is essential. Any country could volunteer any number of troops, from 100 to half a brigade, as the case may be; but these troops would have to be ready to go within 24 hours. I say this, Mr. Chairman, because certainly one of the biggest problems which has faced the secretary general in the past is the fact that first of all he has had to get in touch with the countries he thinks might be suitable to contribute troops; then those countries have had to find out whether they could provide troops, for domestic reasons or purely technical reasons; time has elapsed while answers were received; the troops have had to be gotten ready in the meantime, and during this period of time the situation has probably worsened—and time is of the essence in all these things. If the countries had troops ready to move in 24 hours, troops that were trained and ready, this would probably prevent half the difficulties and dangers that have been encountered in the past.

Perhaps this is getting into matters of defence rather than foreign affairs, but I believe that such troops should receive training under all sorts of warfare conditions—desert, jungle, and perhaps even arctic. Perhaps they should also receive political instruction, in the very broad sense of the word, as to how to behave with inhabitants of other countries, because these men would be good will representatives of the United Nations as well as being charged with keeping the peace.

These troops should be listed on a roster at the headquarters of this group, or eventually on a roster of the secretary general, so that the secretary general, if an emergency situation should arise, could get in touch with the headquarters of the group and ascertain what

troops were available. He could say, "I would like to know what countries have what troops available"; he could consider the answer received, and if he decided that the troops of certain countries would be better choices under certain conditions, that is a matter that would of course be the responsibility of the secretary general. In this regard the secretary general will need not only troops to help keep the peace, but civilian personnel. I mean by that, police, and so on. I believe the Prime Minister and the Secretary of State for External Affairs have indicated this already; but in addition to police forces you would need public health officials and even transport officials, and the like, to help move supplies into the area involved. These men should be senior civil servants and technical personnel from the countries contributing troops. This type of personnel would be very, very helpful in carrying out any peace keeping operation. I believe these personnel should also be kept in a quasi United Nations group—that is to say, outside the United Nations—but eventually a roster of this type of personnel should be available to and directly under the jurisdiction of the secretary general.

Finally, Mr. Chairman, in this regard I think the secretary general—he could do this even now, I think, without any embarrassment—should arrange to have at his disposal a staff of personnel, or a roster or list of personnel, whom he could contact in an emergency. These people could be known, in United Nations terms, as a "U.N. Presence". Every emergency situation that arises in the world is a different kind of situation. It might require a committee of three or four men in one place, while in another place one person would be sufficient. In one case the "U.N. Presence"—I use the word "Presence" with a capital letter and in quotation marks—would be a type of person such as an undersecretary or the secretary general himself. In another case it might be a distinguished foreign diplomat, as in the case of Cyprus at the present time; or diplomats, since there are two. This would be very useful. The type of presence required depends on the circumstances; but again, if the secretary general had a list of internationally well known and respected persons who would be available, this would again save time—and so often it is time that is important in these cases.

The secretary general cannot do any of these things until a resolution has been passed directing him to carry them out. I have already pointed out that in the future if any arrangements can be worked out it is essential that the security council handle this type of resolution. If that is not possible, due to a veto, it might be necessary to go back to the "united for peace" type of resolution from the general assembly. In the case of the Congo the secretary general appointed an advisory committee to advise him as to how he should carry out the terms of the resolution of the general assembly, because resolutions on peace keeping matters are always by nature and by necessity exceedingly vague and the secretary general would have to be a Philadelphia lawyer and have the wisdom of Solomon to carry them out. This is because the resolution may mean one thing to one country and another thing to another. I know that in the case of the Congo it was a very difficult matter. The secretary general had the advice of all the countries which contributed forces. While I cannot say more in this regard, certainly this advisory committee caused the secretary general a great many headaches and a good deal of wrangling went on in the committee. But it was of some help at least, and very often the late secretary general would do something of his own volition and then tell them, "I have done this", and because nobody else had anything better to offer, they usually accepted it. I think an advisory committee is something that should be carefully considered on every occasion, if the secretary general thinks it necessary.

Finally in this regard, Mr. Chairman, is the question of financing. I think the United Nations should try to arrange—and I think Canada should take this initiative—to have a special fund ready from which to provide immediate costs. In the matter of finances and financing, the United Nations is probably the worst of any organization in the world, which is a shocking thing. We have never been able to get some countries to pay their bills, although certainly this does not apply to us. A special fund should be available for emergency purposes into which the secretary general can dip at once without having to pass around the hat and go begging. It is a shocking thing which has taken place in the past. Then for long range financing the plan suggested by governor Stevenson of the United States should be adopted. I emphasize again that if assessments are made by any group of United Nations countries, even if it is only a small amount, these assessments should be paid. We all know that countries like Zanzibar and other small countries have not the money to pay large amounts, but they should pay something, even if only a token payment, to

make them feel part of a group, which is something very necessary. As I mentioned before, Canada and our friends like Sweden, Norway and Ireland have not only done the dirty work but have had to pay the bills as well.

One final matter on this subject. In view of the fact that this nucleus of countries is going to try to form a group to make troops available and will be meeting in Canada shortly, I would suggest to the minister, since some co-ordinating arrangements must be made between these countries with regard to standardized training of troops and civilian personnel, that some kind of permanent centre for these countries, perhaps a staff college, might be made available in this country. I think that would be very helpful and would provide a permanent headquarters. We are not trying to get away from the United Nations, but at the present time it is probably not feasible to bring this matter directly under the secretary general. I think that if a headquarters or training base for the senior officers of these troops were set up in this country it would be a good thing. Canadians want their government to take the lead in this United Nations enterprise, and I think that is true of everyone in Canada. However, although most Canadians want to do their share I do not see why they should do more than their share. We do not want to accept the role of "suckers", and therefore we should act now to see that these arrangements are made, and that other countries do pay their share as best they can. I think that is essential and that the government should give the best leadership it can in this regard.

The next matter I should like to deal with briefly concerns our relations in the Pacific. Canada is a Pacific power but very little emphasis has been placed upon, or attention paid to, this fact over the years by, perhaps, all governments. In the last three or four years events in the Pacific have moved very rapidly, and they now make it imperative that the government pay very close attention to what is going on in this part of the world, and try to do something about it, purely from the point of view of our own future safety. The minister told us today of the troubles and dangers in Viet Nam, Laos and Cambodia. Relations with China were also touched on. In the north Pacific our relations with Japan, both commercial and diplomatic, are excellent and can hardly be improved upon. But this is not the case in the south Pacific.

I refer to the situation pointed up by Malaysia, Indonesia, Australia, New Zealand and the Pacific islands. There lies a very dangerous situation indeed, of which we are all aware. The minister mentioned this morning when discussing Europe that if a man like Hitler gets in control he goes from one conquest to another, as a result of economic conditions at home which cause him to do something to distract the people, and he becomes an egomaniac. These people can never be trusted.

I am not suggesting that the head of the government of Indonesia, President Sukarno, is in that category, but he comes pretty close to it. First of all he took over the Netherlands New Guinea as a result of a weak-kneed attitude in Washington. Now he is after Malaysia, and he has suggested that Malaysia of all places is trying to encircle Indonesia. Now President Sukarno has sworn himself to the destruction of Malaysia and attacks are being made on that country, which is a sister nation of the commonwealth. Australia and New Zealand are very concerned about this, because if Malaysia goes the next step will be New Guinea, part of which is controlled directly by Australia. Then the next step would be the Pacific islands, and the information I have received from people in Samoa and other places is that they are very concerned.

Fifty years ago no one would have given a hoot for the Pacific islands. People do not give a hoot about things which do not concern them. But in this age of jet aircraft the Pacific islands are of great importance not only to us but to our immediate allies. When you have an imperialist, power-hungry, expansionist country headed by someone like President Sukarno heading out in all directions, people give way. This causes concern, and it concerns us.

I would suggest that the government take steps to consult Australia and New Zealand with regard to establishing some sort of closer relationship or alliance; that we consult Malaysia to see what we can do to help. Since the minister of defence has scrapped a large part of our navy or put it in moth balls, perhaps we could make some arrangement whereby some minesweepers and destroyers which are presently laid up are made available to help Malaysia drive off these aggressive attacks by the Indonesians on Sarawak and Brunei. This is a matter which I think should be carefully considered. We should also offer other aid, both economic and military, to Malaysia, because if President Sukarno is not stopped now then, just like Hitler in the 1930's, he will go on, and the next country to which he will turn his attention

will be New Guinea, and then Australia and New Zealand will become involved. We cannot stand idly by because this is a thing which will spread. The man should be stopped now. He has no possible reason for making attacks on Malaysia except to satisfy his own ego and to cover up the failure of his economic policy at home. I think he should be stopped now before we get into more trouble.

Mr. Churchill: Where is the Minister of National Defence? He should be listening to this.

Mr. Martin (Essex East): The minister is at a meeting. He was here all morning.

Mr. Nesbitt: I might mention in this regard that I have before me a clipping from the London *Times* of April 15, 1964. It is an article by the naval correspondent of the London *Times* pointing out the necessity for Malaysia to have small ships to help her ward off these hit and run commando-like attacks which are being pulled off almost daily by the Indonesians.

In conclusion—I am sorry if I have bored the hon. member in the corner from Quebec, but perhaps these matters do not concern him very much—the last item I want to deal with concerns Canada and the organization of American states. This was one matter about which the minister could have told us this morning. We would like to know what government policy is in this connection. Before the minister came to his present office he was very anxious to tell the house what we should do in this regard.

Mr. Martin (Essex East): I still am.

Mr. Nesbitt: I do not want to remind the minister that I have a good many newspaper clippings in front of me covering the last year or so, and to save the time of the house I will not read them all into the record. However, I think the minister will be only too willing to agree that in the past he did advocate that Canada join the organization of American states.

Mr. Martin (Essex East): I have not changed my view at all.

Mr. Nesbitt: The minister says he has not changed his view. Perhaps when he replies he could elucidate on that matter.

Mr. Martin (Essex East): I would be very glad to.

Mr. Nesbitt: There was one other thing I was wondering if the minister had considered, and it is this. While the minister has not changed his view, apparently some of his colleagues changed their views—

Mr. Martin (Essex East): Wait and see.

Mr. Nesbitt: The minister says wait and see. Does that mean we are going to join the organization of American states?

Mr. Martin (Essex East): You can never tell.

Mr. Nesbitt: The minister says you can never tell. I think this is wonderful. Perhaps when he is replying he will make that more clear. As everybody knows, there are a great many arguments, pro and con, as to joining this organization. If the minister cannot persuade his colleagues to join the organization outright, then I wonder has he given any consideration to trying a sort of trial run, in the form of observer status, or perhaps a status similar to that of the United States in the CENTO organization, where they do not have a vote but they give gratuitous advice. People who do not vote but give gratuitous advice probably are not too welcome in any organization, but I just throw out the suggestion of an observer status for Canada in the organization of American states.

Mr. Martin (Essex East): We are thinking along the same lines.

Mr. Nowlan: This worries me.

Mr. Nesbitt: By having observer status for a while we could see what problems we might encounter if we became a full member, and we would have better grounds upon which to decide whether we should or should not join. I certainly look forward to the minister's observations later in this debate.

Before sitting down there is one other thing I would like to mention, and that is Canada's relationship with the West Indies and the Caribbean. Every effort should be made to increase our close association with these countries, and in particular I would mention one which is shortly to become independent, British Guiana. Our colleagues in the United Kingdom are faced with great difficulties at the present time. Their armed forces are spread very thinly through the trouble spots in Yemen, Cyprus, South Arabia, and the like. It is also a well known fact that there might well be trouble in British Guiana, and it is my understanding that the United Kingdom has very skimpy forces there at present, which causes the United Kingdom great concern.

It might be helpful in this area if the minister gave consideration to offering the use of certain Canadian forces in this very important area of the Caribbean. It is getting pretty close to home. It is not too far from

Cuba, and I do not think I need say more or elaborate in this regard at this time. It is something the government should consider.

Again I want to thank the committee for allowing me the extended period of time in which to make my remarks, and at this point I will now sit down.

Mr. Brewin: Mr. Chairman, I would very much like to open my remarks by welcoming the review of foreign policy given us this morning by the Secretary of State for External Affairs. With a very great deal of what he said I imagine no reasonable Canadian of good will could possibly disagree, but there are some points of difference of opinion which I would like to mention, and some differences of emphasis I would like to discuss in the course of my remarks.

I imagine, Mr. Chairman, all members of the committee have received a very beautifully edited magazine about the President of the United States. In it was an article on the late President Kennedy, written by Arthur Schlesinger Jr., who was his special assistant. In it he used these words with which I would like to preface my remarks:

> Every significant statesman must possess and be possessed by a vision of the future. He must have some instinct about the grand movement of history, and must perceive some direction in which he supposes the world is moving. He must have a conception of the historical process which connects what has been and what is to come, and which therefore gives his present deeds and decisions a setting and a point. Implanted within him there must be an image, not necessarily conscious or explicit, but plastic and capacious of the world he strives to bring into being.

I imagine it would be difficult, in fact presumptuous, for all of us to seek to be significant statesmen; nevertheless I think it would be worth while for us, in making our comments in this discussion on external affairs and on the statement given to us by the Secretary of State for External Affairs, to set them in the context of our understanding of the world situation today and in the light of some sort of vision of the world of the future. I would say, Mr. Chairman, that the significant feature of today's world is its radically changing nature. There are today new opportunities, and there are new threats. If one's thinking is clear it seems to me that it would not be good enough for us to go on meeting these new threats with the methods that were appropriate to meet the old. If we do not seize the new opportunities we may lose them and they will never recur. These remarks, I think, are appropriate in discussing our position in international affairs.

When he spoke to the special committee on defence in July last, the Secretary of State for External Affairs stated that the foreign and defence policies of any state in the nuclear age are inseparable, and they must both have but a single objective, the preservation of peace. With that statement I most heartily concur.

If I may mention a personal matter I had the privilege, as did some other hon. members, of having lunch today with Dr. Matsumoto from Japan, who was a school teacher in Hiroshima at the time of the explosion of the nuclear bomb. He lost his wife, and 378 of the girl students died. He is here on a mission to try to explain that experience to other people in the world. With that experience in mind, I am sure none of us will disagree with the proposition that the major objective of both foreign and defence policy—which, as the minister said, are inseparable—must be the preservation of peace. In that light I want to look at NATO, which the Secretary of State for External Affairs discussed with us this morning.

It was created in 1949 under conditions totally different from those which prevail at present. It was created to meet the threat of Soviet aggression in Europe, but uniting the nations of Europe in an alliance which was backed up by the United States nuclear monopoly. Without that backing, the nations of western Europe might well have fallen victims either to the internal subversion or external military threat of Soviet conventional power. But the situation has radically changed since that time. The western European nations have recovered their economic strength. In the common market and other western European institutions, they have recovered a sense of strength and independence, and in addition the world has entered a new era. It is the era of the hydrogen bomb, the era of intercontinental ballistic missiles.

The United States of America no longer has the nuclear monopoly. We have reached a situation, it seems to me and to many people, of a nuclear stalemate, and at the present time we have in Europe massive confrontation of tactical nuclear weapons equal, as Mr. McNamara has told us, to 10,000 Hiroshimas and Nagasakis put together. From this I think we can deduce that any major conflict in Europe would quickly escalate into all-out nuclear war. Fortunately it is clear that Mr. Khrushchev and his advisers are well aware of this. Indeed we know that this was one of the main items in the dispute which shattered the myth of communist unity and put the U.S.S.R. and the peoples of the republic of China into open conflict. In these circumstances no one who is not crazy

would risk a major conflict in Europe, and no one believes that the leaders of the U.S.S.R. are crazy.

There remains nevertheless a danger of war, a danger that we set off war by accident or by the impelling incentive in case of tension to strike first before you are struck. I suggest that it is on minimizing and reducing these risks that the major emphasis should be put both in NATO and in the disarmament conferences that are taking place at Geneva. But, Mr. Chairman, apart from this threat of accidental war or war induced, as I say, by the dangerous nature of the weapons which we possess in superabundance, we can, I think, reasonably look forward to a period of relative stability, a period in which the two major powers of the world have a strong, common interest in co-existence. The threat which NATO was designed to meet has been lessened by these facts and we would be foolish in my judgment to put our major emphasis in international affairs into meeting a waning and almost non-existent threat. We are aware that on both sides of the iron curtain there is no longer a monolithic picture. I think the Secretary of State for External Affairs said that we should not be speaking of the east versus the west. On both sides of the iron curtain he agrees that there are indications of various sorts of a changed picture. There is no longer monolithic unity on either side. Therefore we have a period of relative stability based upon this balance of nuclear power.

My belief is that we must use the time bought by this measure of stability through the nuclear stalemate in order to create institutions on an international basis which will put on a far firmer foundation than any balance of mutual terror possibly can the hopes for peace of the world. If we say that we have acquired a degree of stability in Europe because of this nuclear confrontation, we must simultaneously admit that other developments throughout the world are creating major areas of instability, and I suggest it is to these major revolutionary movements in other parts of the world that our chief attention should be directed at the present time.

These major revolutionary developments involve not only the technological changes that have brought us all together so that we now discuss, as the minister has said, the affairs of Viet Nam, the affairs of Cyprus, affairs in every quarter of the world. There is also the major development of political emancipation, and I think that a basic fact that we sometimes overlook and which creates instability is the tremendous disparity in living standards between the peoples of two thirds of the world and the peoples in other parts of the world. So, Mr. Chairman, I think it is to this type of threat to stability that we should be devoting more attention.

I suggest that Canada must remain within the NATO alliance, but I welcome what I understood to be the statement of the minister, that he believes that concrete new developments for more effective consultation within NATO are required. I was sorry that he was not able to tell us that any of these concrete solutions were either suggested at the council meeting he attended or that he himself has any in mind with regard to the development of NATO.

But I think that more important than the maintenance of these regional alliances at the present time is the meeting of this other threat which can only be met if we build up the world institution; in other words, it can be met only if we turn the United Nations, so far as we are able to do so, into a power, in embryo if you like, that can create something of the nature of a world government eventually, but in the meantime at any rate can be a force working for peace in all of these unstable areas of the world. Whether or not we recognize it, we have to build in this generation a world community, or we have to perish.

What does this mean in terms of concrete policy today? I suggest it means putting our major emphasis on the development of the United Nations. It is for that reason that we in this section of the house warmly welcomed the intervention, in which I believe the Secretary of State for External Affairs gave great leadership, of the United Nations in Cyprus. We are disturbed by some of the details there, but any disturbance we may have is entirely secondary to our earnest desire to see this new experiment which is being carried on now in different parts of the world gain experience—gain, moreover, the experience which will enable it to be done more effectively in the future.

We cannot expect 100 per cent success, as I think the hon. member for Oxford suggested, in these first efforts. I welcome, and we in this part of the house all welcome the intervention of our forces in Cyprus, difficult, painful and perhaps even unsuccessful as it could possibly be in the long run. We cannot weigh things by whether they are 100 per cent successful at the time or whether they are easy. We have to do what we can, and we

commend the part played by the government in carrying through this experiment.

As one who, as some members know, has been interested in law, I am reminded that the common law of Britain, which is regarded as quite an achievement of civilization, was not laid down by any prior plan but gradually broadened out from precedent to precedent, and I suspect that the development of the peace keeping powers of the United Nations will come about in somewhat the same way.

For the same reason we warmly welcome the initiative which has been taken by the government in planning to create stand-by forces for the United Nations. I had intended to read into the record certain remarks made by the Prime Minister in an article in *Maclean's* magazine of May 2 last. Perhaps I should read one or two sentences from it because in what he says he has the warm concurrence of the members of this group. He is dealing with the need for leadership to bring this about, for a constructive initiative toward peace and security by establishing stand-by forces. He said:

> There must be leadership to bring this about.... As a leading middle power, with a well known record of support for United Nations peace keeping operations in widely spread theatres, Canada is in a unique position to take the initiative. It is prepared to do so. It is anxious to develop its close co-operation with other U.N. members in these vital endeavours; to explore with them means for strengthening the United Nations' capacity to act in this field and the ability of member states to participate.

To that statement we here say "amen", and we hope that not only will this policy be carried out but that our defence dispositions will clearly be made in a way that will enable us to carry out the obligations that are to be assumed in this way. I say quite frankly, that simply is not the situation now and I have serious doubts whether the white paper will permit us to do that and carry out the other obligations referred to there. However, I do not want to digress too far into matters that relate strictly to defence, although they are closely interrelated.

There is another activity under NATO about which I feel far less happy. I am going to read to the house the answer to a question I put on the order paper. I realize that what was done was not done during the administration of the present government, but I should like to ask the minister to inquire about this matter because I find it disquieting. I read in a newspaper, the Montreal *Gazette*, I believe—I do not have it with me—that

[Mr. Brewin.]

Canada had some sort of joint arrangement of mutual aid under NATO whereby we and the United States jointly were to supply 120 F-104G aircraft, to be assembled by Canadair in Montreal, to Greece and Turkey as part of the mutual aid program. I was naturally interested in this when, at the present time, there is some real danger of conflict between these two allies of ours in NATO. I, therefore, put a question on the order paper and was given the following information as recorded at page 3213 of *Hansard* for May 13, 1964:

> On June 12, 1961, Canada and the United States concluded an agreement under which F-104G aircraft, support equipment and spares to the value of U.S. $200 million were to be produced in Canada. Of the total cost, the U.S. government was to pay $150 million and the Canadian government $50 million. It was agreed that the aircraft produced under this arrangement would be used to meet Canadian mutual aid contributions to NATO and U.S. military assistance program requirements. According to most recent estimates, it is expected that this sum will cover the production of approximately 140 aircraft; the figure of 120 was an earlier estimate. Delivery of aircraft from the production line is still in its early stages, and it is not expected that production will be completed until October, 1965.

Then, I call attention to this statement:

> In late 1961, the Canadian government agreed that title to all aircraft produced under this program should be vested in the United States. An understanding was reached whereby the U.S., having title, would decide the allocation of the aircraft, taking into account Canadian views.

This seems to me to be a very extraordinary statement, Mr. Chairman, that we should put up $50 million—and we do not have too many bundles of $50 million—to purchase aircraft, and then vest title and the real disposition of the aircraft in the United States. I do not say this out of any lack of confidence in our allies but sometimes, under the guise of mutual aid as approved by congress, things are done which this parliament might well not approve. I suggest this is an arrangement which requires to be looked into carefully. I continue quoting:

> Arrangements have since been made for the total production to be divided into two categories; aircraft purchased in Canada for the United States military assistance program, and aircraft produced for presentation to NATO countries as a joint Canada-United States program of assistance to NATO countries. Such aircraft as have been delivered to date all fall into the former category.

So far we have delivered aircraft which, I understand, were for the United States for disposition by them.

> No decision has as yet been taken concerning the countries which will receive F-104G aircraft under a joint Canada-United States program of assistance to NATO countries.

Then, I had asked about specifications, but I was told that the technical specifications of these aircraft were classified military information. Although I am no expert on the fine points of defence I have, as a member of the defence committee, learned enough to know that this F-104G has a range of 400 miles and when acquired by Canada as Starfighters or CF-104's they were equipped solely with tactical nuclear arms. This may not be so with these particular machines. This does not seem to be the time to be arranging to deliver to Greece and Turkey these highly offensive weapons. I wonder if there is not a little inconsistency between this type of arrangement and what our soldiers are trying to do in Cyprus at the present time.

Then, the answer concludes in this way:

> In the event that it is decided to allocate to Greece and Turkey any of the aircraft produced under the latter program, the normal conditions attached to Canadian mutual aid will apply, viz., that recipient countries will use any material they receive to strengthen the capacity of NATO to deter or resist aggression.

But, Mr. Chairman, in the possession of nations at war, whose existence is at stake, are these conditions likely to be very meaningful? As I said, these arrangements appear to have been made some time before the present administration came into power, but the eventual disposition does not seem to have been decided. I should like to know what the answer is to a proposition whereby we put up $50 million of our money and provide that control of these offensive weapons is in the United States. The control is in the United States and apparently the eventual disposition of these is in the United States. This phrase is reminiscent of the Columbia treaty. As the minister will recall, the phrase in that treaty was that they would take into account Canadian views—and then make their own decision.

There was another aspect of the speech by the Secretary of State for External Affairs which I found, I must say, partly exasperating and partly delightful because it was so well done. This was the part in which the minister discussed our relations with the people's republic of China and it was, I would say, a typical and very skilful performance. Once again he gave us, as clearly as could be, good major reasons why we should not continue the isolation of the republic of China. He then proposed an exchange of journalists, and I have no objection to this proposition at all. It is delightful that we should learn something about what goes on in one quarter of the globe. If the journalists from China can find anything in Canada that would interest their readers, personally I would be delighted that they should do so.

The minister reminded me of a gentleman in early spring in a bathing suit, going out shivering, putting his toe in the water and getting ready to dive in, then his courage leaves him and he puts on his dressing gown and retires to sit in front of the fire once again, and saying, "Some time in the future". The logical consequence of what he said would have required him to finish with an announcement that we were exchanging diplomatic representatives with the People's Republic of China, and that we would, under proper conditions, support the admission of the *de facto* government of that country into the United Nations. In this connection, I noticed a statement the Prime Minister made when he was in Paris, and I think the minister was with him at that time. He said this:

> Two courses are open to us. One is the diplomatic and economic ostracism and isolation of states behind the iron curtain.

I ask you to note those words:

> One is the diplomatic and economic ostracism and isolation of states behind the iron curtain. This course, Canada rejects.

If we reject it, why do we not do something about it? I know there are complications and difficulties, but if Mr. de Gaulle can recognize the People's Republic of China, then so can we. The minister discussed the matter with him and told us he agreed with many of the reasons that impelled that decision. This suggests that it is about time we carried out the logical consequences of what the minister has said when he referred to the continuing isolation of the *de facto* government of a quarter of the people of the world.

Mr. Valade: Will the hon. member permit a question?

Mr. Brewin: Yes.

Mr. Valade: In view of what the hon. member has said, what does he propose to do about the Formosan government?

Mr. Brewin: I think there is not the slightest doubt that conditions should be attached to any admission of the People's Republic of China to the United Nations, that the Formosans should be given the right to choose, by referendum or otherwise, what form of government they prefer. I think that should be clearly recognized. We do have to get into a two-China policy. I do not think it would be right or proper for us to say we will just hand over that country, which is independent, to the people's republic of China. We do not

yet know, at least I do not believe we know, whether, faced with the possibility of admission to the United Nations, that term might somehow or other be acceptable to the People's Republic of China.

The minister said conditions would be required. But you do not reach the stage of discussing conditions until you make up your mind that, subject to the conditions being met, you are ready to move. My criticism is that we have dilly-dallied too long on this subject. We in Canada are in a position, it seems to me, to use with other people in the world the interval which we believe exists to promote a world community.

I want to end my remarks by expressing a mild degree of disappointment that the Secretary of State for External Affairs did not find the question of external aid one which he thought necessary to review or emphasize, though he did mention the subject. I say this because it is my conviction that in building a world community we must have regard for the welfare of two thirds of the people of the world. We have a measure of responsibility. This has been requested by the United Nations, which we say we are trying to serve and build. The government has moved forward but, in my view, it has not moved forward as fast or as far as its own commitments require it to do. I have here a copy of a decision reached by the United Nations general assembly in 1961 to the effect that the standard contribution from the developed nations in economic aid should amount to 1 per cent of the income of those countries. That is not a very high standard. However, it was not chosen arbitrarily. The figure was set after careful examination.

The Acting Chairman (Mr. Batten): I am sorry to say that the hon. member's time is a little more than expired.

Mr. Martin (Essex East): The committee was very generous to me, and we agreed that the spokesman for the official opposition should extend his remarks. I would be happy to do that in this case.

Some hon. Members: Agreed.

Mr. Brewin: I thought I heard someone say that the agreement was not without limit. I hasten to reassure the committee that I shall conclude my remarks in a very few minutes. I had reached the last point I wished to make, which is that the percentage figure for contributions to underdeveloped nations set by the United Nations assembly itself was 1 per cent of the national income. In my view, this is not enough, but the figure is related to projects which could now be undertaken to meet the impact of this terrible problem caused by abject poverty in large sections of the world, a poverty which I suggest is one of the main causes of instability in the world today. Our own contribution has not risen above $100 million a year; I think the figure in the estimates for next year is of the order of $100 million. If we were to give the 1 per cent, we should be contributing $370 million. I do not think that less than half of the international standard suggested is good enough for a country which aspires, as Canada does, to leadership in the development of a world community, and I urge that this matter be given more attention by the government than it has in the past. Hon. gentlemen opposite have moved in the right direction. Their intentions are good. I do not think they need be frightened about what the people of Canada may think in this regard. When we are spending one and a half billion dollars on defence, surely we could spend more than we are now spending on this other aspect of the battle for the peace of the world.

I hope, also, we shall make a contribution on a far larger scale to research into those things which are required to bring about peace. We are spending plenty of money on research into so-called defence. We have the scientists, capable people, in Canada who could do this most important job in co-operation with other nations, and I hope the government will set about this task with the assistance of such organizations as the Canadian peace research institute. In his eloquent peroration the Secretary of State for External Affairs referred to the fact that Canada was not a major power and, therefore, did not have—I am paraphrasing his words—the awful responsibility which rested upon a major power. But, he went on to say, Canada does have a special responsibility—and I think I speak for all members of this party when I say I could not agree more. One of the reasons for this special responsibility is that we are not a major power. We welcome the initiative which the government has taken to strengthen the United Nations and to build up forces to support it. We hope they will go further and faster along that road because along that road, rather than in the maintenance of military alliances which are becoming obsolete, lies the hope of the world for peace in the future.

Mr. Thompson: First, I should like to congratulate the Secretary of State for External Affairs upon the effort and the thought which he put into his statement to this chamber this morning. I believe he attempted to give us a realistic review of world affairs as they stand at the present time. Certainly, what he had to say represented a great improvement over what we have been offered in the last year or so, as far as a realistic approach to world problems is concerned.

The minister said we had come a long way in Canada in the field of external affairs. He reminded us that 25 years ago it was difficult to get a government statement on foreign affairs. I agree that the situation has improved very much, but I think we still have a long way to go. I was disappointed to find this morning that we were fewer than 45 members in the house; the front benches on the government side were practically empty at the outset of what should be one of the most important occasions on which government policy is stated.

The minister began by saying that the world situation could no longer be divided on an east-west basis. He said the east-west label was no longer applicable and that he would like a better one. So he tried to find a more descriptive terminology. I think it does not matter what we call it; the world is still split in half. If the minister would like a better name, perhaps he should describe it as a fight between freedom and totalitarianism. The minister divided the world scene into four groups. He mentioned the free world and Russian communism as opposed to the Chinese type of communism. Then he spoke of the underdeveloped or uncommitted nations. I believe such a method of division covers up the fact that we are still divided into two camps, both of which are wooing the uncommitted nations. The side which will be most successful will be the one which is able to win the uncommitted nations to its camp. In my opinion the present phase of this struggle is far more dangerous than was the situation in the time of Stalin, when the war was fought out front and when the western nations were more or less driven to unite in face of a danger they could see.

Today the situation is much more deceiving; in fact, it is covered over in such a way that it is often difficult to determine and fully understand. It is much more subtle. If the minister really wants to differentiate between the Soviet type of communism and the Chinese type of communism, I think it would be wiser to do it in terms of strategy rather than in terms of their present attitudes toward the west, because I think both brands of communism have the same ultimate goal. Their only fight today, the only basis of their argument, is how best can they achieve that goal. Khrushchev is selling a soft line. By doing so I believe he has deadened the perceptive powers of the west; he deceives us into passiveness and often into lowering our guard. Mao Tse-tung, however uses the cold, brutal methods that Stalin used. These are often more impressive to the underdeveloped nations. Perhaps one of the reasons for this is that China is closer to them in their economic underdevelopment than is Russia herself.

Therefore, Mr. Chairman, Khrushchev has adopted the method which he believes will succeed, and I think in many cases he is succeeding where Stalin's method failed. Stalin, in taking over much of eastern Europe, was unable to legalize or to gain any degree of acceptance for his takeover of those various countries. Khrushchev today, using the line that he is, is coming much closer to it. When he reaches the point where he is able to convince the people who live in these satellite nations that the west have forgotten about them, he will have accomplished his purpose. I believe that as he realistically looks at the world he understands the truth of the atomic situation relating to military force, because he knows he could not survive any more than could his enemies. So of necessity he is using this soft sell approach in talking to the rest of the world.

But again I would say that the communist approach is different only in strategy; their goals are the same. Whether you read a speech that comes out of Peking, or whether you read a speech that comes out of Moscow, every time a statement is made one should note that it defines their ultimate objective to be the takeover of the world for the communist way of life.

Therefore I think we must face up to this situation. We must face it as the grim reality that it is. Any attempt to rationalize these things will only mean we will be deceiving ourselves, and our efforts to promote those things in which we believe and which are the only alternative to this situation, I am convinced, will end in failure. How can the free world, in any permanent or substantive way, compete with the communist world, when the advantages are on their side? We are a free society. They can have their own political parties in our midst, as they have

in the free countries of the world, and at any time they wish, they can flood those countries with propaganda. Can the free world do this in the other direction? It cannot. Therefore it seems to me that the only realistic approach to the many problems which face us in the world today is to face up to them.

I believe the minister, in trying to lay a new foundation for the policy which he has developed, is forgetting, or perhaps is attempting to rationalize the trade policies of the present government; because today the war that continues in the world has shifted from a military to an economic one; it is a cold war. I think the turning point was Cuba, because there we saw Khrushchev backing down to the threat of armed force, which he himself was responsible for building up. From that point on I think he has been convinced that, aside from brush wars, his real tool today, his real weapon, is the economic side of things rather than the military side. That being so, the logical question is, what are we doing about it? Are we to continue believing that we can separate our foreign policies from our trade policies. Somehow we content ourselves into believing that we can reach our objectives by doing this, just as we did in earlier years and just as the British empire used this policy down through the years

Therefore I am convinced, Mr. Chairman, that the basic premise which the minister attempted to lay before us this morning is wrong. While many of the arguments which he built upon that premise were reasonable—and certainly he has given a great deal of thought and effort to developing these—he can never expect to reach the goal which we know we must reach if we are to survive as a free nation in a free world. The minister said, "If only the communists in southeast Asia will give up their military subversion". Well, they will not do this; they will never do it. In fact they intend to step it up, because what they expect to do is take over southeast Asia. I believe there are only two alternatives for that troubled part of the world, and it is a critical part of the world today. Either there will be an all out conventional war, or southeast Asia will be lost altogether. How can neutrality further our purpose? In fact, I do not think the communists ever use the position of neutrality or agree to go along with it unless it is part of their specific strategy. When it no longer works to their advantage, they throw it aside. This is what has happened in Viet Nam; this is what has happened in Laos. And we see, even with our peace keeping missions, when the communists reach the point where they realize that neutrality is no longer furthering their objective, they withdraw their member altogether. This fact itself ought to speak very clearly to us. The peace keeping mission, as we heard in the news yesterday and today, and again in the statement made to us, have been able to keep their pledge of inspection on the neutral, or western, side but when they step across to the communist side, they cannot do it; it is impossible; it is not permitted.

I believe, also, that in this regard the minister overlooked a basic and very important factor on the international scene. This concerns President de Gaulle of France. It is obvious that he is determined to undermine the United States position wherever he can. In fact his obvious dislike of Americanism, and Anglo-Saxonism as well, indicates that he will resort even to using the communists to further his own objectives. This is rather clear in what has happened in Brazil in only the last few weeks. Here we find that he was giving at least encouragement of support to the Goulart administration. I think if what has happened there had not happened when it did, we probably would have had a communist coup before this date. De Gaulle lost out in his plans to use Brazil, and so now he is working against the American influence in southeast Asia. Any attempt to neutralize southeast Asia can result in nothing more or less than the loss of that entire area to the communists. By neutralization all we will do is help the communists reach their objective. His own ideas have become an obsession with him. That is why he has all but torpedoed NATO at the present time; that is why he was determined to prevent Great Britain from entering the European common market.

There is another omission which the minister has made in outlining government policy today. I do not think he did it intentionally. Perhaps in endeavouring to provide answers to some of these acute problems in crisis areas he merely overlooked it. This concerns the cold war, which seems to have become less of a military war and more of an economic war. The communist countries are in trouble and are not able to produce what they need. Therefore they come to us in their extremity and we help them out. Their system is unable to produce, unable even to meet the needs of their people for food. What we are doing in our present trade policies is assisting them in their weakness. Not only the commodities we sell to them but also the longer

term financing which we make available helps them to bridge over their problems. Russia could never be doing what she is doing in Egypt today, or in Algeria or other parts of the world, if she had to use all her efforts in meeting the problems in her own country. In this sense we are actually furthering the aim of the Russians to bring about a communist state throughout the world.

I come now to the greatest omission of all made by the minister this morning. He did not even mention the underdeveloped nations as such. He mentioned southeast Asia, an area—

Mr. Martin (Essex East): Would my hon. friend forgive me. I mentioned that I had taken an hour and 20 minutes, but that I did propose at some point to discuss a number of problems, among them external aid. I would not want my hon. friend, who is very fair in these matters, to have the impression that the government is not interested in this—because it is.

Mr. Thompson: I understand that the minister's time was limited and that is why I prefaced my statement by saying that he had probably overlooked it. But at this point it comes into the argument I am trying to develop, which is that we are attempting to carry our share of the load in the crisis areas of the world. I am thinking of the United Nations, NATO, southeast Asia and Cyprus. We are doing a commendable job, but are failing to take what is probably the greatest opportunity of all, and that is to help some of the uncommitted nations to develop to the point where they can look for their needs in light of what we understand and believe to be a free way of life.

I am thinking now particularly of the organization of African unity. There has been a tremendous revolution take place in Africa in recent years, some of it without bloodshed, some with. Unfortunately we learn of this through news media which emphasize only the violent aspect. I think one of the greatest opportunities before Canada is to understand what is taking place and to show those people that we are willing to carry our share of the load in helping them reach their goal. I think we should have permanent observers at the organization of African unity and should have direct diplomatic missions in more African countries. In this regard we ought to be stepping up our external aid program. It is not good enough to say that we are going to double it and let it go at that. I am convinced—I say this will all sincerity because I know the tremendous load the minister has in other parts of the world—that perhaps an associate minister is required who could concentrate on the undeveloped areas of the world. He could go out carrying Canada's message to the countries of South America, of the Caribbean area as well as parts of the Far East and Africa. If such an additional position were created within the Department of External Affairs a tremendous amount of good would be accomplished which at the present time is not accomplished, simply because the burden of organization rests upon one person who cannot give the necessary attention to this very important aspect.

I mentioned the organization of African unity. We are all aware that there has been great bloodshed in the country of Rwanda. We are fearful what might happen in the Congo once the United Nations operation ceases. We know there is trouble in upper Sudan. We know there is trouble between Ethiopia and Somalia. We think also of countries like Algeria, Angola, Mozambique and central Africa. It is a fact that the African states themselves are making a real attempt to work out these problems in some kind of peaceful way. Then we read that Russia is moving in; that China is also moving into these areas and exercising a great deal of influence.

This also applies to the organization of American states. We hear a great deal about it not being advisable for Canada to become too closely related to problems in the southern hemisphere. On the other hand, how can we expect to be neighbours and convince them the way of life which we have in Canada with our free enterprise approach to living and the guarantee of those liberties which permit people to develop their initiative and have privileges which we sometimes regard all too lightly is the right way if we do not reach out to them as well?

Then there is the Caribbean area, quite apart from the American states. I do not think there is a person in the house this afternoon who would not agree that we should not do more to help our friends in the Caribbean get on their feet. There are small territories there which are isolated. The colonial office really has no longer any affection for them. The West Indies federation has collapsed. They need to be assisted and guided as they come closer to a new eastern Caribbean association. We are able to help them, and here lies a great opportunity.

We have a tremendous moral obligation in Canada which we are not fulfilling as we should. That is why I believe it would be

a very practical suggestion that some provision be made in the Department of External Affairs to appoint an associate minister or some senior official who could truly represent Canada with the necessary prestige and authority, and who could concentrate on this important field.

I believe the minister was right when he said, in speaking about Berlin, that Berlin was the core of the European problem. I think what the minister should have done is to extend this illustration of Berlin to the whole picture in Europe. The problem NATO faces in Europe today will never be solved unless it is brought back to the point where the problem started. The problem NATO is facing in Europe today, with which we in the western world are so vitally concerned, begins with the very division of Europe. You cannot eliminate the disease unless you get to the root cause. I am sure the parliamentary secretary to the minister understands this even better than some of the rest of us. As far as Europe is concerned we must get back to the point that the only way to solve the problem is the reunification of Europe. I doubt whether there is one example the minister can cite where it can be proved that the communists ever carried out any commitment or agreement they had made, and did so in a way which fulfilled their obligation. As I was speaking about this to a friend, there arose the illustration of Austria. In my opinion Austria might be used as an example. I am convinced that the Russians were willing to go along with Austria in the way they did simply because it assisted them out of a very difficult situation. As they saw that western Austria was being used as one of the main transportation routes for supplies going into NATO, they were willing to withdraw if western Europe would also withdraw. They certainly removed a very difficult situation from their own hands and put it in NATO's lap.

The point I want to make here is that in dealing with the communist problem as it relates to NATO, let us face facts as they are. The minister stated this morning that we have to deal with the communists and have to work out ways of continuing peaceful negotiations, but on the other hand we must maintain our strength in order to carry out our obligations. In this connection I wonder if what NATO needs now is a new joint high command that would bring the various policies of NATO together, not just so far as the branches of the military forces are concerned, but to bring the various problems together, with someone in command of each

[Mr. Thompson.]

section. I am thinking of the political responsibility, the economic responsibility—yes, even the psychological aspect of it.

If NATO is to perform its real function in the years ahead, it cannot be regarded just as a military alliance. Certainly I agree with the minister when he says Canada is determined that it must be a trans-Atlantic organization, but, unless we bring all the aspects and phases of the problem together, and co-ordinate them under one main policy, NATO will not fulfil its obligation and do what it expected it to do.

When I suggest a joint high command, I am saying that we should have a specific department of NATO in each of these four fields, and then have over them a co-ordinated policy that will bring them together. At the present time Canada is strengthening its forces in NATO. I understand that Canada is not intending to increase its forces, though, when we heard the minister mention this morning that there are 25,000 Canadians in Germany, we fully realize that is not a small effort. Of course we must remember that this includes dependants and all the auxiliaries that go along with the military.

Yesterday in a newspaper report we were told about the re-equipping of our Canadian forces in NATO, and that the Honest John missiles are going to have nuclear warheads. But in another article in the same newspaper I read that, though France is withdrawing from NATO, she intends to bring back into it a ground to ground missile far superior to the Honest John. In view of the tremendous development of West Germany, the recovery of France and Italy, and the development of some other NATO powers, I question if it is essential for us to continue keeping such a large NATO contingent, in the military sense.

If NATO is to continue in a positive role it needs to be reorganized along the lines I have previously mentioned, and Canada should play a far greater part in the economic and psychological aspect than she does in the military aspect.

Referring briefly to Cyprus. This is indeed a difficult problem. Actually, it brings us back to the United Nations at this time and, more specifically, to the visit of the secretary general of the United Nations. In last night's Montreal *Star* there was a very timely article in regard to the visit of U Thant to Ottawa, and I would like to place one or two paragraphs from it on the record:

> For their part, Canadians will be able to assess a secretary general who has called upon Canada to assume an increasingly heavy UN burden in terms of men and money for UN operations.

However, if anything concrete is to come from the Thant visit, it will be incumbent upon the secretary general to clarify for Canadians just what role Canada is to play in a UN that has changed radically in the last five years.

Since assuming power, the secretary general has followed the Hammarskjold tradition by playing up to the newly emerging nations of Africa and Asia.

It must remembered that Canada is just one of 112 members of the United Nations and I think the secretary general should be reminded, though no doubt he is well informed about it, that we contributed something more than $20 million to United Nations operations in the last year, and that this does not include some of the peace keeping operations which we have paid for directly. Out of a total budget of some $300 million we contributed that much, when actually we represent, so far as voting power is concerned, only one one hundred and twelfth.

The visit of the secretary general to Ottawa is a significant one because it brings us to the question of how long we are to continue these peace keeping missions through the United Nations and still have the same lack of co-operation from other members of the organization. Specifically at the moment this concerns the Cyprus operation. Yes, we are carrying our share. We are doing our best. We are helping to settle the hot spots. We are playing a leading role in setting up within our armed forces a special unit available at all times to assist in peace keeping. This is good; but we must understand that beyond all this there is a greater responsibility.

Before closing, Mr. Chairman, I would like to mention the commonwealth. I believe we speak and think too little about the commonwealth, and the important part it can play. Somehow we think about it as something of the past, but the commonwealth of today represents some 700 million people, and is one of the greatest vehicles we could use to discharge the responsibility of helping the underdeveloped nations of the world.

The commonwealth education conference is to be held this year in Ottawa. It would be good for the minister to consider, in addition to the regular agenda, the arranging for a study period for those delegates who are coming from underdeveloped areas. It could last for a month, or possibly two or three months. I personally have had letters from a number of delegates whom I know, asking if they could not stay here for a couple of months in order to study the Canadian educational system, to take a short course that would help them when they return to their own countries. Again this is the kind of thing that we can do in Canada and which does not cost a lot of money.

In closing may I say, let us not think in Canada that we are a great military force which can compete with the great nations of the world such as the United States, the U.S.S.R., France, and Great Britain. We cannot do that. Any attempt to try and imitate them is just going to frustrate and confuse the picture so far as our own responsibilities and obligations are concerned. We are in a peculiar situation. Formerly we were a colony, but have reached our own independence. We have developed on a free basis a tremendous economy that rates high among the other nations of the world. We have a tremendous reserve of good will in the world. These things should all be tied together in our external affairs policy, in our defence policy, and in our politics as they relate to the international scene. They should all be co-ordinated so that we can make a greater contribution for world peace.

Again, coming back to the very fundamental need across the world, which is in two words, perhaps more vitally and clearly to the people of the underdeveloped countries than in any other words: world hunger. If we can align our policies and set our actions in a direction that will assist people in these countries meet their needs more effectively, then we can make the greatest contribution to the world scene, and accomplish much more than we are doing at present.

Mr. Woolliams: Mr. Chairman, I wonder whether the hon. member would answer a question. I did not want to interrupt him during his remarks. Does he still take the position that he and his group are against selling western wheat to Russia and China?

Mr. Thompson: Well—

Mr. Woolliams: Let me finish. Is he still against that and, if not, what is his policy in that regard and why has he changed?

Mr. Thompson: If the hon. member for Bow valley—

Mr. Woolliams: Bow River is my constituency.

Mr. Thompson: —has not found the answer to his question from the remarks I have made, then he is not able to understand very well what I have been saying. But I will be very specific. He just loves to stand up and say to the people of western Canada that I am against selling the farmers' wheat. What I am interested in doing, Mr. Chairman, is assisting the people of the underdeveloped nations with the tremendous reserves of food

products we have in this country and with the know-how that is behind them in a way that we can strengthen them in their stand in wanting to be part of the free world. If we subvert our trade policies to anything else I think we are not accomplishing what we should.

Mr. Woolliams: I wonder whether the hon. member would answer one more question.

The Chairman: Order. Perhaps I should mention to the committee that the hon. member's time has expired, but if it is the unanimous wish of the committee a question might be asked. The hon. member for Chapleau.

Mr. Woolliams: I will be brief.

The Chairman: Is it agreed the hon. member may ask a question?

Some hon. Members: Agreed.

Mr. Woolliams: We all agree with regard to feeding the people of the underdeveloped nations, but my question was a direct one and the hon. member for Red Deer said he would give a direct answer. Is he against trading with red China and Russia in western wheat?

Mr. Thompson: The hon. member for Bow valley—

Mr. Woolliams: Bow River is my constituency.

Mr. Thompson: Bow River—is very concerned about this problem. What I have said time and again I will say to him now. I believe our policies should be directed in a way that we can sell our wheat to our friends instead of to those who are threatening to destroy the very way of life that we regard as right. Until these policies can be worked out and some of the economic problems involved in them can also be resolved, not to sell our wheat would certainly be utter folly. I have never said anything other than that, but I believe we have a far greater obligation to our neighbours and friends than we have to others who may be on the other side of the world, and on the other side of the fence.

[*Translation*]

Mr. Laprise: This morning, the Secretary of State for External Affairs (Mr. Martin), in his splendid statement, took us around the world. In my estimation, he did not take up too much of our time, since his activities have led him everywhere in the world. This is a part of his duties, and he showed us to some extent what is happening in the world. It was quite proper that the minister should report on his work, his observations, and the stand he took to influence, as it were, the nations with whom he discussed for peace.

I would like to point out immediately to the minister and the members of the house that I agree with those who believe that we must discuss with the other countries in the world and organize cultural and trade exchanges with foreign countries in order to obtain a durable peace.

I believe that this dialogue tending to obtain better understanding and more comprehension between the countries of the world is necessary. I also believe that we, Canadians, are to a certain extent willing and ready to help underdeveloped countries to get their economy going and to teach them to help themselves.

However, I wonder whether the Secretary of State for External Affairs was well equipped during his meetings to offer those countries the solutions they need. It is all right to go to your neighbour offering to help him tidy up his home, but, Mr. Chairman, I believe that one should first tidy up one's own place.

I am not convinced that real peace is prevailing at home. I know that the minister is aware of the great amount of distress to be found all over the world, and of the poverty prevailing in too many countries, and I admit that they should be enabled to shake off this state of destitution. I also agree that there are in this world, and in our own country as everywhere else, ever increasing and more extensive means to help those countries fight the destitution found all over the world, so that it should not get a permanent hold in spite of the new scientific and technical developments, in spite of the machines and automation, that are, or should be, at our disposal.

Well, Mr. Chairman, I believe that in order to be well equipped to offer those countries efficient solutions, it would be in order to look and observe at home, in the four corners of the country, with a view to discovering whether we are not also somewhat underdeveloped.

Not very long ago it was reported that we could number in this country 35 designated areas where depression still prevails. There are 35 underdeveloped areas which encompass not only a city or a village; each of them represents quite a considerable area.

Well, under the circumstances, I wonder whether we are justified in trying to clean up our neighbour's house.

Solutions are being offered and should be implemented. On the other hand, I shall have later on an opportunity to come back to this subject. But in the meantime I would like to ask the minister for some explanation, for instance, in regard to the United Nations.

According to the news we get and which comes from reliable sources, it seems that the member countries of the UN have not quite honoured their obligations or met their commitments toward that organization. In fact, it appears that Canada is the most generous country and also the most aware of its obligations. Therefore, I think that the Secretary of State for External Affairs should clear up that matter by telling us what is the total amount of all the contributions owed to the UN and how many countries have not yet paid theirs? Besides, he could tell us whether, in his opinion, those commitments will soon be fulfilled.

Mr. Chairman, as far as I am concerned, I have some doubts about the results of the action of the United Nations force in Cyprus. This is a personal opinion, based on what I saw or what I learned from reports published in the large newspapers from other countries. My doubts are based on the results obtained by the United Nations forces in other countries faced with domestic difficulties.

As an example, I should like to mention the case of Korea where soldiers from various countries were implicated. Did that action prevent the destruction of that country? I think not.

And more recently, Canada sent troops to the Congo, and there again, one may wonder if our interference prevented trouble or disturbances. On the contrary, we heard that murders had been committed, that disasters, engagements and even assassinations had taken place, in spite of the presence of United Nations forces.

Mr. Chairman, those are the reasons why I feel justified to wonder whether the results which our soldiers will obtain in Cyprus will be any better than in the past. At least, I hope so, since we have become involved.

During his statement the minister referred to the fear now existing in the free world facing communism and its threats. I think that communism, whether it comes from white Russia or yellow China is no less a red communism, and it is dangerous, wherever it comes from. But we do not simply have to face up to communism. If communism, where it has taken root, did not succeed in achieving its objective, that is in ensuring security, it did succeed nevertheless in depriving the people of freedom, without ensuring the security it had promised. Nevertheless, those countries are suffering from poverty and insecurity.

On the other hand, there is another group which is no less dangerous and which rules the world, at least in part. I refer to free masonry, an anti-Christian and anti-religious society which has kept the world and the working class in dire poverty since it came into existence. Communism is also an anti-religious and anti-Christian society which has achieved the same objectives.

Mr. Chairman, those organizations have given us and are maintaining a false system. In spite of the abundance which exists, they are keeping the world and its peoples in the most abject and intolerable poverty. Such poverty is due to an organization and a system which are false.

That system exists not only in what we call the old countries, those of old Europe, Asia or anywhere you please, but here also: even if Canada is a comparatively young country, we have copied a little the old methods of those countries.

Mr. Chairman, those systems breed poverty and keep the people in that intolerable poverty.

A few years ago a former leader of the Conservative party, who was then premier of Manitoba—I mean Hon. John Bracken—stated at a federal-provincial conference in 1941:

> Under the present tax system the income of the relatively poor is transferred to the relatively rich.

That tax system, Mr. Chairman, is forced upon us by a debt-money system which does not take into account the country's economic realities or its production capacity. That tax system which was already bad in 1941 and even before—but that premier recognized it in 1941—and which transfers the income of the relatively poor to the relatively rich, is still with us. This is where some changes are needed if we want to be able to show the other countries of the world that it is possible to fight poverty and give each person in those countries, as well as in our own, a purpose in life and the proper means to achieve it.

Mr. Chairman, may I call it five o'clock?

[*Text*]

The Chairman: Order. It being five o'clock, the committee will rise and report progress, to proceed with the consideration of private members' business.

Progress reported.

Criminal Code

CRIMINAL CODE

AMENDMENT RESPECTING APPEAL IN HABEAS CORPUS PROCEEDINGS

Mr. John R. Matheson (Leeds) moved the second reading of Bill No. C-35, to amend the Criminal Code (habeas corpus).

He said: In rising to speak on this Bill C-35 I should like to tell hon. members that this is the same bill as Bill No. C-77, read on November 12, 1962, for the first time and the same as Bill C-42, read on May 20, 1963, for the first time. So this is the third time that this amendment to the Criminal Code has been spoken to.

This is a very simple amendment, when one looks at the words actually involved. The proposal is to add three words to section 691 of the Criminal Code, the words "or habeas corpus".

This is the result of a recommendation to me from a distinguished friend, Professor H. R. S. Ryan, Q.C., who is known to a good many members of the house, now a professor of law at Queen's University law school, a man who prior to teaching law spent many years as a successful counsel. He is also one of our best known students of penology. It was Mr. Ryan's suggestion, in a letter to me on November 5, 1962, that this bill should be produced. I was supported in the preparation of this measure by advice from an old teacher of mine, a man young in years but long in experience of criminal law, Mr. G. Arthur Martin, Q.C. Mr. Martin wrote me on December 7, 1962, saying:

> I think that the lack of appeal in habeas corpus proceedings constituted a gap in the law which the proposed amendment remedies.

I have also discussed this matter with Mr. John Robinette, Q.C. and Mr. Royden Hughes, Q.C. who are well known in criminal law circles. There is, however, nothing new in this recommendation, which is an attempt to implement a suggestion made by Chief Justice McRuer of the high court of Ontario in the case known as "Re Shane".

Before discussing this case may I say, for the benefit of lay colleagues in the house, that habeas corpus is one of the most ancient and honoured of the writs known to English law. In the most recent copy of the Encyclopaedia Britannica, the author says on this subject:

> From the earliest records of the English law no free man could be detained in custody except on a criminal charge or conviction or for a civil debt. It is granted only on application to the high court or a judge thereof, supported by a sworn statement of facts setting up at least a probable case of illegal confinement. It is addressed to the person in whose custody another is detained, and commands him to bring his prisoner before the court immediately after the receipt of the writ.

[The Chairman.]

Halsbury, in his Laws of England, the third edition, volume II described it as being—

> —a prerogative writ by which the Queen has a right to inquire into the causes for which any of her subjects are deprived of their liberty. By it the high court and the judges of that court, at the instance of a subject aggrieved, command the production of that subject, and inquire into the cause of his imprisonment. If there is no legal justification for the detention, the party is ordered to be released.

It is, of course, further pointed out:

> Release on habeas corpus is not, however, an acquittal, nor may the writ be used as a means of appeal.

Hon. members may inquire as to the timeliness of bringing forward a bill making provision for the right of appeal in connection with habeas corpus. I think that all over Canada we are concerned, today, with civil liberties and the rights of individuals. I have here a clipping from the Brockville *Recorder and Times* of November 26, 1964 where the writer of an editorial on civil liberties asks this question: "What happened to Gerard Bigras, 29, of Sudbury, who was sentenced to seven days in jail and 83 days later was still in jail?" The article continues:

> This points up a glaring weakness in our system of law, when a man can be stuck in jail and nearly forgotten.

We all know that Chief Justice McRuer has served Canada in various capacities as counsel, prosecutor, chairman of various important royal commissions and, of course, as chief justice of the high court of Ontario. The learned chief justice in the Shane case looked very carefully at the legal authorities. Perhaps I may read briefly from the headnote. The headnote to "Re Shane" which is reported in 19 D.L.R., second edition, and at page 460 reads as follows—the hearing took place on May 20, 1959:

> A prisoner has no right of appeal from an order of a judge of the supreme court (Ont.) refusing a discharge under habeas corpus proceedings and neither can he apply from judge to judge of that court until he obtains a decision in his favour or until all judges (31 in all) have heard his application. Once his application for discharge has been refused that is an end of the matter and *semble*, it makes no difference that, as here, the prisoner is held under the Extradition Act, R.S.C. 1952, c. 322. The present situation, which places the liberty of the subject in the hands of one individual judge, can only be remedied by legislative action providing for a right of appeal in habeas corpus matters.

The learned chief justice had this to say, as reported at page 465 of the reports:

In disposing of the case I respectfully suggest that prompt action should be taken by proper authorities to resolve the confusion that now exists and to provide for the right of appeal in habeas corpus matters that was thought to exist prior to the decision of the Court of Appeal in this case.

I might indicate to hon. members that Professor Ryan has drawn to my attention the fact that the conference of commissioners on criminal legislation has recommended at least once—in the year 1959—that provision for an appeal be restored to section 691. I beg to point out, also, that this matter has been considered by courts of appeal in other provinces. One of the important cases is "In Re Fred Storgoff" reported on page 526 of S.C.R., 1945 where it was found that the federal government had exclusive jurisdiction to authorize such an appeal under the provisions of the British North America Act, sections 91(27) and 92(13). In this case there was reference to the dictum of Lord Halsbury who said:

For a period extending as far back as our legal history the writ of habeas corpus has been regarded as one of the most important safeguards of the liberty of the subject.

Lord Birkenhead is recorded to have said:

We are dealing with a writ antecedent to statute, and throwing its roots deep into the genius of our common law. It is perhaps the most important writ known to the constitutional law of England, affording as it does a swift and imperative remedy in all cases of illegal restraint or confinement. It is of immemorial antiquity, an instance of its use occurring in the thirty third year of Edward I. It has through the ages been jealously maintained by courts of law as a check upon the illegal usurpation of power by the executive at the cost of the liege.

Finally, Sir Charles Fitzpatrick, C.J.C., who was a well known Quebecker, said application for this writ was "unquestionably the first security of civil liberty". The same ideas are contained in the case of Wattebled *v.* Lesage and Aubut and attorney general of the province, as reported at page 108 of C.B.R., 1953. Here we find a dictum of Mr. Justice Taschereau. He points out that this ancient writ—

—dates back farther than the Magna Carta of Jean Sans-Terre, it was *jus non scriptum*, and it was only in 1679 that it appeared in the statutes of England.

This was "an act for the better securing the liberty of the subject and for the prevention of imprisonment beyond the seas".

In some circumstances appeal has not been provided for in our code. The failure to provide appeal in habeas corpus was, I think, inadvertent. This gap in judicial remedy has been recognized by those jurists who make periodic examination of our code, and I believe they have recommended from time to time to the Department of Justice that this oversight be corrected.

I shall not trespass further on the time of the house. I simply indicate that this bill is an attempt to do what has been recommended by His Lordship Chief Justice McRuer in Re Shane and follows logically from the conclusions of other important judgments that have been given by the courts of appeal of various provinces and the Supreme Court of Canada.

Mr. Eldon M. Woolliams (Bow River): Mr. Speaker, first of all I would like to congratulate the hon. member for Leeds (Mr. Matheson) for bringing forward this bill. I might say at the outset that I am going to support it without any reservation or equivocation whatsoever. I will try to be as brief as I can because I know the Minister of Justice (Mr. Favreau), and perhaps other hon. members, will want to speak on this matter. Also, I do not want to take up too much time, in order that perhaps this matter can be dealt with and the bill passed today.

Briefly, Mr. Speaker, we are considering one of our special, extraordinary remedies that deals with the rights of an individual. We are dealing with habeas corpus, of course, and we are dealing with that kind of right which is afforded a person in custody. There are many extraordinary remedies; there is the right of habeas corpus, certiorari, mandamus, and others. But in this case we are dealing with habeas corpus, which is very important because we are dealing with the right of a person to make an application for release when he is held illegally in custody. This situation arises when an inferior court, by its judgment, has placed someone in custody and has either exceeded its jurisdiction, exceeded the law, or the decision is against the natural law of justice. It is one of those rights which we have that protects the individual and guarantees his freedom in this country under the rule of law as we know it. After all, our democratic processes are based on the rule of law and not on the rule of people.

What is the law at the present time? It may be that there has been more litigation in this country in reference to habeas corpus than with regard to any other facet or phase of criminal law. I am going to refer to various cases briefly, just to place them on the record; not particularly to emphasize the facts but just to give a portion of the judgment of the Supreme Court of Canada. I did not have too long to prepare these remarks this afternoon. I knew this bill was

coming before the house, but some of the other bills were stood.

One of the earliest cases is Smith *v.* The King, 1931 S.C.R., at page 531. Another case is In Re Jack Goldhar, 1958 S.C.R., at page 693. There is also another decision on the same case by the whole court, reported in 1960 S.C.R. at page 435. I might just pause there, Mr. Speaker, and say that the 1958 case was a decision of Mr. Justice Martland sitting in chambers and the decision in 1960 was by the supreme court on the same set of facts. Then there is the case of Re Shane, which has been referred to by the hon. member for Leeds. That case is reported in 19 D.L.R. (2d) at page 460. Then there is the case of In Re Storgoff, 1945 S.C.R., page 527.

What is the law when one reads these cases? Before referring to that question, Mr. Speaker, I might just say that at one time it was the feeling, when someone was making an application because he felt his liberty had been usurped by being held in custody, that you could apply to a judge of any superior court in the trial division, any judge of the court of appeal, and then you could apply to a judge of the Supreme Court of Canada; but it was finally decided that you could go to only one judge in one court, and having done that your remedy, as I understand the law, is at an end. In other words, the law today is that if one is held on a charge under the Criminal Code of Canada—I emphasize the Criminal Code of Canada because we have to differentiate between offences under the common law and those under the Criminal Code, and I will have something to say about that in a few moments—you could go to any one judge; you can go to a judge of the Supreme Court of Canada or, in my province, which happens to be where I practise law, you can go to a judge of the trial division of Alberta, or a judge of the appellate division, which is our court of appeal in Alberta. This applies to any province.

The next question is this. On the statute books of each province there is some statutory law, or there are some rules which are codified by the legislature of the province, which allow you to go to the court of appeal only on matters with regard to which the province has jurisdiction. For example, there is the dental act, and if someone was found guilty of malpractice on summary conviction and the magistrate or board had exceeded their jurisdiction under that act, you could go to a trial judge and then to the court of appeal of Alberta. This is true in regard to the various provinces, I believe. I know it is true in British Columbia and Alberta.

The next point is this. Until April 1, 1955 there was a differentiation as between an offence under the common law of Canada and one under the Code of Canada. Now, since the new amendment, those offences are all under the Criminal Code of Canada and there is no differentiation between offences which are under the common law and those which are under the Code. At one time a person who was charged with an offence under the common law of Canada, but not under the Code, could not apply for habeas corpus; it did not apply in his case. In particular, he did not have the right to go to the Supreme Court of Canada. He may, of course, have had the right to go to a judge in his own jurisdiction.

Let us look for a few moments at these authorities. The first case I mentioned was the famous Smith case. It is Art J. Smith *v.* The King. The appellant in this case bears no relationship to the famous Arthur Smith who was a Queen's Counsel in Alberta, or his son. A different set of facts are involved, and a different province. This case states:

> The jurisdiction of the Supreme Court of Canada in respect of habeas corpus extends only to cases of commitment following upon charges of offences which are criminal by virtue of statutes enacted by the parliament of Canada—

That is what I was saying; the jurisdiction of the Supreme Court of Canada applied only to those offences under the Code and not to those under the common law. Since the amendments to the Code of April 1, 1955, any offences under the common law are now part of the Criminal Code in this regard and therefore there is jurisdiction in this respect.

The next case I referred to was In Re Jack Goldhar which, as I said, came before Mr. Justice Martland in chambers. Mr. Justice Martland was a judge of our Supreme Court of Canada. He said that as it was no longer possible to prosecute a person for an offence at common law, there could no longer be a commitment in a criminal case for such an offence, and any offence thereafter charged under the Criminal Code must be considered as a criminal case under an act of the parliament of Canada. Therefore the Supreme Court of Canada would have jurisdiction under the Code and under the common law, because the common law had now been codified. That decision was appealed; the decision of one judge of the Supreme Court of Canada was appealed to the whole court, and that decision was upheld. The judgment

was written by the Chief Justice of the Supreme Court of Canada at that time.

Dealing with the Shane case, this is the problem—and I am going to come to grips with it. The problem is that at the present time you can only get this remedy from one judge at a time. You can go only to one judge. At one time there was a lot of law to the effect that you could move from one judge to another. At the present time the law seems to be very firm that you can go to one judge in the superior court, but there is no right of appeal. You have to distinguish between a civil remedy and a criminal remedy. That is because we have quasi-criminal offences.

Let me give an example, Mr. Speaker, of a case I had myself concerning a dispute between the dentists of the province of Alberta and the dental mechanics. Charges were laid against the dental mechanics of manufacturing teeth. They were quasi-criminal charges. If a mistake were made in law by a magistrate or an inferior court, then you had the remedy of habeas corpus if the accused were in custody, or if not in custody, on certiorari, to go for trial in the province. Then there was an appeal to the court of appeal of Alberta. The same procedure existed in the province of British Columbia. Unfortunately, under the offences in the Criminal Code of Canada there does not seem to be an appeal provided for to the courts of appeal of the provinces, as established by the Re Shane case. I discussed this question privately with the hon. member for Leeds a few minutes before five o'clock, and under his bill which he has presented today to the house provision will be made only for an appeal to the court of appeal of a province. I do not think that anyone would like to see, unless a mistake in law had been made, all of these matters go to the Supreme Court of Canada. But I think it is a good thing that we should at least have a right of appeal to the appeal courts in the respective provinces which have jurisdiction as far as the Criminal Code is concerned.

In that regard this bill is a necessary amendment, because if a trial judge does make a mistake, or if he does not agree with the applicant's counsel, the applicant can at least have the decision of the judge reviewed by five judges of the provincial court of appeal. That is true in any criminal matter if you lose a decision before a judge or are convicted before a jury. In Alberta, which is the only province where you can have a case before the supreme court trial division without a jury, if the trial judge has made a mistake in any criminal matter you can appeal on a question of law or on a question of fact in law to the court of appeal. This amendment would mean that if a decision on a question of habeas corpus is unfavourable to the applicant he can have it reviewed by the court of appeal of the province. In that regard I congratulate the hon. member for Leeds for bringing forth this amendment, and I hope it passes.

In dealing with the extraordinary remedies, I think there is one thought which parliament should have, as we sit here passing legislation in this house. I can spend the rest of my time talking about various examples, where, by statute, is taken away the right of habeas corpus and the right of certiorari, which are extraordinary remedies and protect the individual against the infringement of the state where the law is exceeded.

In this regard we need only look at the Income Tax Act, which is a terrible act in this regard. It is only under very unusual circumstances that you can apply this extraordinary remedy. We have only to look at provincial statutes and at our archaic liquor laws. Provincial legislation always makes me laugh. We are always so holy in this country with reference to our liquor laws, while the provincial treasurers take into their accounts about $6 million each year. Yet under those acts it seems to be legal to sell liquor but illegal to drink liquor in most places. In these particular statutes—and this is the point I am making—you will read time and time again that there is taken away the right of habeas corpus and the right of certiorari. They want to make it so tough for the accused that if he is ever charged under the liquor acts he cannot help but get fined or imprisoned. If the law has been exceeded then you have not the extraordinary remedies which you have in normal cases under the Criminal Code and other statutes.

So I say in passing that I endorse this amendment; but I suggest to any future parliament—and I hope the legislators follow suit—that when we are shaping legislation with reference to penal matters we do not take away these extraordinary remedies, because in many cases under the federal Income Tax Act and under the provincial liquor acts injustices are done to individuals. Sometimes they are held in custody illegally. They are fined or their books are seized illegally. These extraordinary remedies which exist in other phases of our law should exist as far as those statutes are concerned. Particularly

in provinces where the revenue from the sale of liquor is sizeable the legislators could certainly leave the law the same as it was under the common law as it exists under the Criminal Code. Because if a provincial statute is to become a penal statute, then why have you not all of the remedies which exist under the offences described in the Code?

So I say in summary, realizing that others want to speak, that this is a good suggestion because the application can be made only to one judge of the court. If that judge makes a mistake in reviewing the record of an inferior court as far as the extraordinary remedies of habeas corpus or certiorari are concerned, you have a right of appeal to the court of appeal of the province. We have that right now in quasi-criminal matters or in civil matters, such as the case of the dentists where the dental mechanics were charged with making teeth, because it was alleged they were practising dentistry. We considered the magistrate in that case exceeded his jurisdiction. We considered another board which dealt with the dentists also exceeded their jurisdiction in that regard. You have a right of appeal in these matters in Alberta. In criminal matters, whatever the charge is, whether it be serious or is another offence under the Code, where habeas corpus applies, when an accused is in custody, or certiorari applies where he is not in custody, there is the right of review by the top court of appeal in the province. Since April 1, 1955 we have taken steps to see that all matters are now dealt with as if they come under the Code.

This is another step in the history of jurisprudence of this country and I endorse the bill entirely. I congratulate the hon. member for Leeds for presenting it, and I trust that when the Minister of Justice (Mr. Favreau) speaks he will support it.

Mr. Andrew Brewin (Greenwood): Mr. Speaker, that this bill should be passed should become very obvious to us all when we realize that the lawyers and members of this house, who usually agree about little or nothing, are all agreed that it is a good bill and that it should be passed. I think the best contribution I can make toward passing this bill is to confine my remarks to a very few minutes of time, and I will certainly do that.

I should just like to point out to any hon. member not aware of it that what the hon. member for Leeds (Mr. Matheson) has described in the remedy of habeas corpus as an ancient and honourable remedy—I think he used those words—is the fundamental means whereby the rule of law and the liberty of the subject have been worked out and preserved during centuries of history. This is one of the great achievements of our system. The security of every individual person against arbitrary imprisonment is based upon this remedy of habeas corpus.

This bill which is recommended to us not only by the words of the hon. member who spoke with obviously good sense, but also by a very distinguished justice, Chief Justice McRuer—who happened to be my partner once, although I did not agree with him in everything—gives the right of appeal where some judge has refused this remedy to effectuate the liberty of the subject.

For myself, I have had enough experience with courts to have learned that judges are not infallible. They are human, and they perform better sometimes if their acts are subject to review by higher courts. I think this is a very commendable thing. I am not going to elaborate on the learning put before the house by the hon. member for Bow River (Mr. Woolliams), which I found very interesting. I just wish to commend the bill to the house and to commend the honourable, learned and distinguished member for Leeds (Mr. Matheson) for having introduced it into the house.

Mr. A. B. Patterson (Fraser Valley): Mr. Speaker, I do not lay any great claim to an understanding of legal terminology or practice, but it seems to me that the amendment proposed this afternoon is one that commends itself to the principles of humanity and justice.

Before taking part in this debate I asked the hon. member for Greenwood (Mr. Brewin) if it would be permissible for me, a layman, to enter a debate such as this, and he gave his consent. Possibly it is a case of a layman moving in where angels fear to tread. I assure the house, however, that I am not going to enter deeply into the discussion that is taking place.

It has been indicated that this is an amendment which has the support of many of those who are well versed in legal matters. It has been recommended as a remedy for what appears to be an oversight or omission of the drafting of the present legislation. The fact that it has been supported by those in the legal profession, and has been so ably and conscientiously introduced by the hon. member for Leeds (Mr. Matheson), for whom I have the greatest respect and in whose judgment I have great confidence, prompts me to voice support for the amendment before us.

[*Translation*]

Mr. Auguste Choquette (Lotbinière): Mr. Speaker, I would like to commend wholeheartedly the hon. member for Leeds (Mr. Matheson) and say that I fully support the bill he submitted to the house in order to preserve individual liberty, in conformity with the principles of the bill on human rights recently passed by this house.

I believe this is to reduce to the minimum any arbitrary imprisonment or denial of liberty, of an individual by providing for an appeal from the decision of a court having denied an application for a writ of habeas corpus.

Mr. Speaker, I would like to state briefly a very deplorable situation which exists in some of our Quebec criminal courts.

There we find a situation commonly known as "fixing". "Fixing" is a scheme by which one speculates on the sentences to be imposed, sentences which are prolonged or reduced according to the talkativeness or otherwise of an accused or an individual who confesses to the police.

Indeed, a despicable game is often played between lawyers, police officers and judges, who get together to speculate on the length of the detention period, based on whether the persons held in custody have satisfied or not the curiosity of certain police officers who do not care too much for the dignity of the human person. Those police officers often vent their bad temper on others by resorting to violence.

The Coffin investigation shows that there is something wrong with the administration of justice. A Montreal judge has requested a thorough investigation, and he is right. Judge Wagner asked for a thorough investigation of justice, and I feel that as the world fair is approaching, there will be a great promiscuity among people coming from all parts of the world, so there is reason to fear a new outbreak of criminality.

Mr. Deputy Speaker: Order. I am sorry to interrupt the hon. member, but I think that he is wandering far away from the matter under study.

Mr. Choquette: Mr. Speaker, I shall conclude by saying that this bill concerning the possible illegal confinement of a person, prompts me to make these remarks and also to urge the federal government to make also its own thorough investigation, as the world fair is approaching, an investigation which will indicate precise standards to the judiciary in the terms and execution of sentences, so that in accordance with the principle stated by the hon. member for Leeds, any illegal detention will be prevented at any cost and as much as possible.

[*Text*]

Mr. G. W. Baldwin (Peace River): Mr. Speaker, I too appreciate the principle behind this bill. Habeas corpus, the English meaning of which is to have the body, is a direction by the court to the authorities to bring the body of a person—the live body, of course—of a person who is held in custody under confinement before the court, so that the authorities may justify their detention. I often think, after several years in this house, that when all else fails here we raise a point of privilege. When all else fails in court a person in jail raises a writ of habeas corpus.

May I just add one thing to what has been said. The case to which the hon. member for Leeds (Mr. Matheson) made reference is one based on an English decision. Before that decision it had been impressed on most members of the legal fraternity that a solicitor or counsel for a man held in custody, if rejected by one judge, could then go from judge to judge and keep making his application for habeas corpus; but an English decision indicated that this was an incorrect assumption on the part of the law, the lawyers and the judges. Therefore this was followed by Chief Justice McRuer's action, with the effect mentioned.

However, I would point out that prior to that decision it had not been a wholly unsatisfactory state of affairs where, within reasonable limits, you might go to successive judges. I point that out for this reason. It may well happen that the confinement under which the accused person is being held might be of a limited nature. By the time you get to the court of appeal it might be too late. This accounts for the reason why, having been turned down by one judge in the morning, you go to another judge in the afternoon. There are obviously limits to the application of a principle of that kind, as Chief Justice McRuer pointed out. In the province of Ontario which has 36 judges, and probably more now, it would be an obvious abuse of the legal procedures.

But I would suggest to the Minister of Justice—while I hope he will give an indication that he is going to consent to the amendment at this time—that he might give consideration to including at some later time, in conjunction with it, a limited right which could be incorporated under section 424 of the

Criminal Code, where there is given to courts of appeal the right to make recommendations on procedure. This is the section under which the various provincial courts have made recommendations on the procedure, under authority of the federal parliament, with regard to criminal matters. I suggest that the minister give the provincial courts of appeal the right, under section 424, and by a further amendment to section 691, to provide for limited access to individual judges, as well as the right of appeal.

I emphasize the reason for that in this fact that there are a number of cases which occur to my mind, and I think the hon. member for Bow River (Mr. Woolliams) illustrated this by reference to small penalties which might be imposed in respect of certain offences, and by the time you get into the court of appeal it is all over, and, while you might have the honour of the declaration by the court of appeal that you were unjustly imprisoned, that is not always a salutary remedy. I would suggest to the minister in conclusion that he might give some consideration to the suggestion I have made. All it would take would be a legislative enactment to restore the right which the legal profession considered did exist prior to the English decision followed by Chief Justice McRuer. It would permit in some provinces limited access to a number of trial judges of the superior court, which might be desirable. I would ask the minister to consider the possibility of some limited right of application to successive judges in certain cases.

[*Translation*]

Hon. Guy Favreau (Minister of Justice): Mr. Speaker, I am pleased to take this unique opportunity to say that I agree not only with the spokesmen of my party, but also with all those of the opposition who have expressed their views. This is an opportunity that might not happen again very often in this house.

I am also happy to congratulate the hon. member for Leeds (Mr. Matheson) on the civic sense and the understanding of the administration of justice in this country he has shown by introducing the bill now under consideration.

The situation he pointed out is one which constituted an anomaly up to now. Section 691 of the Criminal Code which is sought to be amended by the present bill, refers to three methods of examination or of statement of invalidity with regard to conviction or imprisonment.

[Mr. Badanai.]

I do not want to discuss here, in a technical way, those three methods, but they are mentioned in that section: mandamus, certiorari and prohibition. The only test of the legality of a conviction and the only means of getting directly out of jail the person who complains about the decision, is through the procedure of habeas corpus which was well explained before I rose. It is abnormal that the code should include at the present time a provision which, in the case of the other three procedures, stipulates the right of appeal but entirely omits to stipulate it in the case that is undoubtedly the most important of those privilege proceedings, that is habeas corpus.

As Minister of Justice, I must say that even if this bill is not a government bill I had that same amendment in mind. As a citizen, as a member of the Quebec bar, the Ontario bar and the Canadian bar, it is a measure I wanted to see introduced.

Indeed, I remember that during the last five or six years I was associated with the faculty of law of the University of Ottawa, one of the subjects I taught dealt precisely with those extraordinary writs called "prerogative writs". Every year, and especially since the appeal court's decision in the Storgoff case, to which the hon. member for Bow River (Mr. Woolliams) referred, I would point out to my students this anomaly where an appeal could be heard on the other three writs but not on a writ of habeas corpus in a criminal case.

That is why I feel it is a duty for me to give full support to the bill introduced by the hon. member for Leeds. In my opinion, its passage would be a step forward in the administration of justice and I hope that the house will pass it.

Some hon. Members: Question.

[*Text*]

Mr. Ralph Cowan (York-Humber): Mr. Speaker, we are indebted to the hon. member for Leeds (Mr. Matheson) for having brought this matter forward and for having taken action in this regard. I note in the explanatory notes, however, that it is five years since the suggestion was first made, so that it is not prejudicial in any manner to this bill to make reference to the law's interminable delays.

Mr. Woolliams: Don't filibuster your own bill.

Mr. Cowan: The wording in the explanatory notes stating that "the present situation . . . places the liberty of the subject

in the hands of one individual judge" attracts my attention. I agree that there should be an appeal in such a situation and I am happy that the hon. member for Leeds has introduced this bill. I am very pleased to know that it has the approval of the Minister of Justice (Mr. Favreau). But as a layman and not a lawyer, and as one who never uses a thousand words where one will do, and who has never studied law, I should like to ask the Minister of Justice to give consideration, after this amendment is passed, to the fact that certain judges—I will not name any of them here, but most Ontario people know to whom I refer—make use of the power they have with regard to contempt of court in what I think is an improper way. There is certainly no appeal from the decision made by one judge in such a case, which lets the hammer of the law fall on the subject, and certainly the liberty of the subject is at the disposition of the judge.

I am thinking in particular of a friend of mine in the city of Cornwall in the riding represented by the Deputy Speaker who was subjected to a contempt of court decision by an authority I do not need to name. That means that the record of this decision will stand against him. I do not think the action of the judge in the case was correct at all. That man had no appeal from the decision of the judge; but now we have high authority quoted today to indicate that the circumstances covered by the bill place the liberty of the subject in the hands of one individual judge.

There is one judge of the Ontario high court who finds there has been contempt of court more frequently than all the other judges on that bench. I hope that the Minister of Justice, in approving of the amendment of the hon. member for Leeds, will give consideration to action to provide an appeal from the sentence of an individual judge in a contempt of court accusation.

Motion agreed to, bill read the second time, considered in committee, reported, read the third time and passed.

Mr. Barnett: Mr. Speaker, in view of the fact that some of us on this side of the house are probably feeling a little faint from surprise at a bill passing in this hour, and in view of the fact it is Friday, I wonder whether a suggestion that it be called six o'clock would be acceptable.

Mr. Deputy Speaker: Shall I call it six o'clock?

Some hon. Members: Agreed.

BUSINESS OF THE HOUSE

Mr. Churchill: May I ask the house leader if the business of the house for Monday and Tuesday is unchanged—a supply motion, I believe?

Mr. Favreau: Yes, the business for Monday and Tuesday will be a supply motion.

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

HOUSE OF COMMONS

Monday, May 25, 1964

The house met at 2.30 p.m.

CANADIAN CONFERENCE ON THE FAMILY

DESIGNATION OF JUNE 7 AS FAMILY DAY

Mr. Speaker: May I be permitted to make a short announcement. Hon. members may be aware that the Canadian conference on the family, which is sponsored by His Excellency the Governor General and Madame Vanier, will meet in Ottawa from June 7 to June 10. It is the intention of the Governor General to invite the heads of religious denominations in Canada to attend and participate in a special religious observance as part of the opening ceremonies of the conference, to be held on the grounds of Government House on Sunday, June 7.

In recognition of this significant meeting, June 7, 1964 is being designated by the government as "family day". I am sure that all members of this house, and indeed all Canadians, will join with me in wishing the conference every success and in paying this tribute to the important unit in our society, the family.

UNITED NATIONS

ADDRESS BY SECRETARY GENERAL TO JOINT MEETING OF SENATE AND HOUSE OF COMMONS

Mr. Speaker: If hon. members will permit me I should like to recall to the attention of all hon. members that tomorrow at ten o'clock in the morning a joint meeting of all hon. members of the Senate and the House of Commons will be held in this chamber in honour of the secretary general of the United Nations, His Excellency U Thant, who will deliver an address.

LORD BEAVERBROOK

TRIBUTES ON 85TH BIRTHDAY ANNIVERSARY

Right Hon. J. G. Diefenbaker (Leader of the Opposition): If the house would allow me, I should like to make a reference to the birthday of a great Canadian. I refer to the 85th birthday anniversary today of Right Hon. Lord Beaverbrook, a Canadian who served in the cabinet of the United Kingdom in the first great war and again in the second great war; a man who has given leadership not only in our country but in the United Kingdom and in the commonwealth.

Too often we wait until the passing of our great men to pay them tribute. Tonight a dinner is being held in the city of London in honour of this man. One need only recall that in the darkest days of the second world war he was minister of aircraft production and later, of supply, to indicate the depth of gratitude which we owe to him, and which freedom owes to him, for the contribution he made.

Right Hon. L. B. Pearson (Prime Minister): Perhaps I might be permitted to associate those of us on this side of the house with the words which the right hon. gentleman has just uttered in connection with the 85th birthday anniversary of Lord Beaverbrook.

No Canadian-born citizen has made a greater impact on his times, I think, than has Lord Beaverbrook both in the land of his birth and, if I may call it so, in the land of his adoption—certainly he has made it his own—as well as in the commonwealth of nations. We think at this time of the great services which Lord Beaverbrook rendered to the United Kingdom and to the commonwealth in two world wars, particularly in the darkest days of 1940 as a member of the war cabinet of the United Kingdom. We wish him many happy returns on his birthday.

PRIVILEGE

MR. HERRIDGE—SIGNATURE OF U.S. RESIDENT ON COLUMBIA RIVER PETITION

Mr. H. W. Herridge (Kootenay West): I rise, Mr. Speaker, on a somewhat unusual point of privilege. Recently I moved that an order of the house do issue for a copy of all petitions sponsored by the Nelson chamber of commerce signed by residents of Kootenay East and West urging immediate ratification of the Columbia river treaty, received by the government since January 1, 1964.

On May 13 I received a copy of sessional paper 98c which contains certain correspondence and petitions with a total of 3,746 signatures attached. While many of these signatures are those of persons not resident in Kootenay East or West, they are the signatures of Canadians. However, I wish to bring to the attention of the house and of

the Prime Minister that the petition also contains the signature of one Al Cappone of New York, and that this name should be deleted from the list of petitioners since I did not ask for petitions from United States citizens.

LIBRARY OF PARLIAMENT

TABLING OF REPORT OF JOINT COMMITTEE

Mr. Speaker: I have the honour to lay before the house a report in English and in French from the committee of both houses on the library of parliament with respect to certain promotions, reclassifications and alterations in rates of pay of employees of the library of parliament.

BROADCASTING

TABLING OF REPORTS OF INQUIRY COMMISSION—ESTABLISHMENT OF ADVISORY COMMITTEE

[*Translation*]

Hon. Maurice Lamontagne (Secretary of State): Last year, Mr. Speaker, my predecessor, the present Minister of Transport (Mr. Pickersgill) decided, as a preliminary study for a redefinition of official policy concerning broadcasting, to ask three persons, that is, the chairman of the board of broadcast governors, Mr. Andrew Stewart, the president of the Canadian Broadcasting Corporation, Alphonse Ouimet, and the president of the association of broadcasters, Mr. Don Jamieson, to examine, from their personal point of view, what is the Canadian policy on broadcasting at the present time and to indicate the points on which they agreed and the aspects on which they could not agree.

These gentlemen, who have now completed their study, have given me a joint report as well as three individual reports. I am ready to table copies of those reports, with the permission of the house.

[*Text*]

While the work done by the so-called "troika" will certainly prove to be most useful, the reports show quite clearly that there are still important areas of disagreement. Because of this situation, because of the complicated and urgent issues raised by Canadian broadcasting today, and in order to end present uncertainties, it has been decided to establish a committee on broadcasting whose terms of reference will be as follows: To study, in the light of present and possible future conditions, the purposes and provisions of the Broadcasting Act and related statutes and to recommend what amendments, if any, should be made to the legislation; including an appraisal of the studies being made by the Canadian Broadcasting Corporation of its structural organization; and including an inquiry into the financing of the C.B.C., into C.B.C. consolidation projects, into the relationship between the government and the C.B.C. in so far as the administration and the financing of the corporation are concerned, into the international service of the C.B.C., and into the various means of providing alternative television services, excluding community antenna television systems; and to report their findings to the Secretary of State with their recommendations.

During the course of its study it is expected that the committee will carefully consider the four reports which I am tabling today, and that it will maintain close contact with Dr. Andrew Stewart, Mr. Alphonse Ouimet and Mr. Don Jamieson, who have acquired a long and valuable experience in the field of broadcasting.

The committee will be comprised of three members, as follows: Mr. Robert Fowler, Mr. Marc Lalonde, Mr. Ernest Steele. This will be an advisory committee to the Secretary of State. It will proceed with its important work as quickly as possible in order to present its report and recommendations at the beginning of 1965. When the report has been received and made public, the government intends to introduce appropriate new legislation and to refer that legislation to a parliamentary committee for detailed study and consideration.

The advisory committee will not study the subject of community antenna television systems. The B.B.G. and the Department of Transport have already made such a study and on March 19 made joint recommendations to the government, which hopes to make known its policy on cable television within a short time.

Right Hon. J. G. Diefenbaker (Leader of the Opposition): Mr. Speaker, the announcement made by the minister represents, I think, the general viewpoint of the house and the country as to the need of an investigation into the C.B.C., particularly by a committee of parliament. The terms of reference he outlined may require to be reconsidered. I had no advance information in this connection, but I feel that the general ambit is rather too narrow and that if an investigation is to take place and full consideration is to be given to the whole problem of broadcasting the widest possible field should be available for investigation.

The minister mentioned that he was going to table the recommendations of this committee as well as the observations made by the individual members of the committee. I feel this matter is of such importance that copies should be made available to all members of the house. This is a matter of transcendent interest not only to members of the house but to the country as a whole. The

mere tabling of copies does not make possible that type of examination all members should be able to give to this question.

Mr. D. M. Fisher (Port Arthur): Mr. Speaker, the Leader of the Opposition seemed to indicate in his comments that this committee would be concerned primarily with the Canadian Broadcasting Corporation. I did not take that out of the minister's announcement because I felt that it was only there he was being specific. If we are going to consider the purpose of the act, and recommend amendments to the act, it would seem to me that the review must touch private broadcasting stations and the whole picture of their relationships.

We certainly feel that the three people chosen, most of whom are well known by members, are able and fair and capable of doing an excellent job. The minister specified that one of the responsibilities of this committee was to make representations concerning the relationship of the government and the C.B.C. in an administrative and financial way. There has been an expression of opinion, Mr. Speaker, in this house within the last year that one of the things that needs to be reconsidered is the relationship between parliament and the Canadian Broadcasting Corporation. It is obvious that the minister has decided not to include that matter within these terms. It would seem to me that this is still something upon which we need an indication of governmen policy, and which will not be solved by the report of the committee.

We feel that the exclusion of C.A.T.V. from the committee study is a very wise move. It is obvious, Mr. Speaker, from the controversy that is developing in the United States, where you have the broadcasting networks and the C.A.T.V. people joining in a monster national battle, that a decision will have to come very soon to determine the community antenna television problem; otherwise it may be too late and we will have a really disastrous problem on our hands.

Mr. R. N. Thompson (Red Deer): We welcome this announcement that has been made by the Secretary of State. I think such a committee as he is proposing is long overdue, because the whole relationship of broadcasting and telecasting is something which needs to be studied carefully. I believe there is so much interest across the country in this particular situation at this time, centring specifically on the C.B.C., that these four preliminary reports assume such an importance they should be included as an appendix to *Hansard*. In this way not only the members of the house but the population as a whole would have them available for study. I suggest that to you, Mr. Speaker.

We realize that this is not the time to enter into a debate or even a detailed discussion of this matter. However, the importance of the control of television, and the responsibility of those who control television and radio, must be studied very carefully. During the last week end I had an opportunity of studying in detail the methods the government of West Germany have adopted in this regard. I suggest to the Secretary of State that these important documents represent preliminary work that has been done. We give our support to this study and trust it will reach the objectives we all understand must be met now.

[*Translation*]

Mr. Gilles Grégoire (Lapointe): Mr. Speaker, the motion just introduced by the Secretary of State (Mr. Lamontagne) is somewhat to the effect a committee of three members should be appointed to study the report of another committee of three members. It is a committee which will study what has already been studied by others.

Will the representatives of the C.B.C. thus avoid appearing before a parliamentary committee? Also the Secretary of State did not explain if this is a way to prevent the C.B.C. officials from appearing before such a committee. This is what we would like to know. In my opinion, the statement of the Secretary of State is rather vague on that point.

We had proof in the past that it was helpful when representatives of crown corporations heard the views of members of the house. For instance, I could mention the case of the C.N.R. and T.C.A. which brought about improvements in their organization in the last two years following suggestions made by the representatives of the people when their spokesmen appeared before those committees.

Mr. Speaker, I suggest that representatives of the C.B.C., as well as of other crown corporations, might be well advised to appear before a parliamentary committee so as to obtain some recommendations from members of the house. As a matter of fact, this could at least improve some of the aims of this crown corporation.

That is why we believe that the Secretary of State should elaborate further on the decision he has reached and tell us exactly what are the objectives of the new committee and whether that procedure will exempt the C.B.C. from appearing before a committee of the house.

[*Later:*]

[*Text*]

On the orders of the day:

Mr. R. N. Thompson (Red Deer): Mr. Speaker, my question is to Your Honour

and relates to the statement made by the Secretary of State. I should have asked it before but did not have the opportunity. Did I understand that it was agreed that these four initial reports would be attached to *Hansard* as an appendix?

Mr. Speaker: I am advised that these reports are very bulky and consist of a great number of pages, and that it would involve considerable effort to say nothing of the expense if they were appended to *Hansard.* Furthermore it could very easily delay the printing of *Hansard.* In the circumstances I am wondering whether the house would not be well advised to leave matters as they are.

Mr. Thompson: Would they be available to the members of the house?

Mr. Speaker: If the house so orders that can be done, but it would take unanimous consent. Does the house give unanimous consent to the printing of these reports?

Some hon. Members: No.

Right Hon. J. G. Diefenbaker (Leader of the Opposition): Mr. Speaker, instead of having the house decide, would the Secretary of State agree to distribute copies to members of the house as I suggested earlier?

Mr. Lamontagne: It may take some time, Mr. Speaker, but we will do our best to produce the copies as soon as possible.

[*Later:*]

[*Translation*]

Mr. Gilles Grégoire (Lapointe): Mr. Speaker, may I direct a supplementary question stemming from the report tabled by the Secretary of State? Could the Secretary of State tell us whether this new committee of three members, set up on his instigation, will prevent the establishment of a special committee of the house for consideration of the current business of the C.B.C., which is a crown corporation?

Hon. Maurice Lamontagne (Secretary of State): Mr. Speaker, there is no incompatibility whatsoever between the two committees. However, the C.B.C., as I indicated briefly a moment ago, has already initiated a complete inquiry in its administrative structure, which requires a considerable amount of additional work.

Moreover, the establishment of the committee I have just announced will add to the work load of the authorities of the C.B.C.

Finally, certain questions dealing with technical details and basic policy will have to be settled by experts and by the government, before they are examined in greater detail by hon. members.

[Mr. Thompson.]

For all those reasons, the government does not intend to propose the establishment of a parliamentary committee during the present session.

However, as I said before, when the new legislation is introduced in the house by the government in 1965, we intend to recommend that such a committee be set up and that it be given specific terms of reference so as to be able to play as useful a role as possible in the field of broadcasting.

Mr. Grégoire: Mr. Speaker, then could not the Secretary of State appoint a special committee of the house that would study the C.B.C.'s deficit or the C.B.C.'s budget, as it has done in the case of the C.N.R. and Air Canada?

Mr. Lamontagne: Mr. Speaker, I think that question does not come within the purview of my responsibility.

Hon. Théogène Ricard (St. Hyacinthe-Bagot): Mr. Speaker, I wish to put a supplementary question to the Secretary of State. Does the answer he just gave apply to the question I asked him three weeks ago?

Mr. Lamontagne: Would the hon. member be good enough to repeat his question?

Mr. Ricard: My question was this. When does the Secretary of State propose to set up a commission on the C.B.C.?

Mr. Lamontagne: I think the hon. member's question was answered today.

[*Text*]

QUESTIONS

(Questions answered orally are indicated by an asterisk.)

C.N.R. EMPLOYEES RETIRED WITHOUT PENSION

Question No. 601—**Mr. Knowles:**

In each of the last ten years, how many employees of the Canadian National Railways have been retired (or laid off at the retiring age) without being awarded any pension at all?

Mr. Pickersgill: The management of the Canadian National Railways advises as follows:

The only employees who would be retired from service at age 65 without qualifying for a pension would be those with relatively short service who elected not to contribute to the pension plan. There is no normal requirement to maintain this type of statistics, and to extract the information from the individual service records would involve considerable time and expense.

MAINTENANCE OF PRIME MINISTER'S RESIDENCE —REFURNISHING, REDECORATING, CENTRE BLOCK

Question No. 675—**Mr. Horner (Acadia):**

1. What was the cost of operating and maintaining the Prime Minister's official residence at 24 Sussex drive for the years 1961, 1962, 1963?

2. What was the cost of redecorating the cabinet room in the centre block?

3. What was the cost of refurnishing offices in the centre block in 1963?

Mr. Deschatelets: 1. 1961, $13,499.05; 1962, $12,786.51; 1963, $9,108.55.

2. $6,455.80 including furniture.

3. Not possible to give information requested since all requisitions for House of Commons include centre and west blocks and no breakdown is available.

SUBMISSIONS RESPECTING WOOD BUFFALO NATIONAL PARK

Question No. 779—**Mr. Horner (Jasper-Edson):**

1. Has the government received any submission from the government of the province of Alberta with regard to Wood Buffalo national park in the last 12 months and, if so, what is the nature of that submission?

2. What does the federal government intend to do about it?

Mr. Laing: 1. Since my statement given in the house on April 15, 1964, I have received from the Speaker of the legislative assembly of Alberta, Hon. A. J. Dixon, a copy of a resolution passed by the legislative assembly of the province of Alberta on April 9, 1964, urging the federal government to return to the province of Alberta the control and ownership of that portion of Wood Buffalo park lying within Alberta's borders.

2. I have informed the Speaker of the legislative assembly of Alberta that the government is not prepared to return to the province of Alberta the entire portion of Wood Buffalo national park located in the province of Alberta because large sections of this area are required for national parks purposes. I also informed the Speaker that the federal government is prepared to consider the possibility of an exchange of lands, transferring portions of Wood Buffalo national park for park lands in the Cypress hills region of Alberta so as to maintain the total amenities offered by the national parks to the people of the province of Alberta and Canada. I have asked the Speaker for early discussions with the government of the province of Alberta.

RECOMMENDATIONS OF JOINT INDIAN AFFAIRS COMMITTEE

Question No. 865—**Mr. Howard:**

What action, in detail, has been taken with respect to each of the following recommendations of the joint committee of the Senate and the House of Commons on Indian affairs:

"(a) The act should provide for a term of office for band councils of not more than three years with one third of the members elected each year.

(b) All band members, who are otherwise qualified, should be allowed to vote at band elections and on any other matter affecting the band if present on the reserve when the election is held.

(c) The chief should be elected by the band members rather than from the elected council.

(d) An oath of office for band council members should be required.

(e) The Indian Act should set out specific duties and authorities of the chief.

(f) The act should provide for filling a vacancy in a band council as soon as possible after the vacancy occurs.

(g) There should be an extensive educational program to acquaint band councils with the Indian Act and regulations and with council authority.

(h) It should be the definite policy of government to move toward more self governing bands and to this end more bands should be given control of their revenue funds.

(i) There should be a decrease in ministerial and governmental authority with a concomitant increase in band council authority.

(j) Bylaw authority under the act should be combined and additional powers granted.

(k) To assist elected band councils in local self government, per capita grants on an unconditional basis should be made."?

Mr. Badanai: (a), (b), (d), (e), (i), (j) and (k). These recommendations would require legislation to implement with relevant changes in existing provisions of the Indian Act. A review of the Indian Act is proceeding as quickly as sound and thorough consideration will permit with the objective of submitting appropriate amendments.

(c) To restrict the election of a chief to a majority vote of the electors would require changes in the Indian Act, as it now provides under section 73(3) for the election of the chief by a majority vote of the electors, or by a vote of the elected councillors from among themselves.

(f) In accordance with the provisions of section 77(4) of the Indian Act, a special election may be held to fill a vacancy when such vacancy occurs in a band council more than three months before the date when another election would ordinarily be held. The general practice is to hold such special elections in consultation with the band council concerned.

(g) The development of Indian leadership is carried on with the co-operation and assistance of provincial governments and university extension departments. Sixteen leadership training courses were held in 1963-64. These were attended by chiefs and councillors and other real and potential leaders on the reserves.

The purpose of these courses was to train those who attended in order that they might increase their competence in the field of leadership in reserve activities. Although the content of the courses varied depending on the wishes of the trainees, subjects covered

were frequently concerned with recognizing problems, planning and taking action to solve these problems, methods of communication, public speaking, understanding the community and its economic and human resources, knowledge of Indian affairs branch administration and existing programs, federal, provincial, and local resources that are available and how to obtain this assistance when required.

(h) The department is already moving ahead in this field. Progress is dependant upon the readiness and ability of Indian bands to assume the additional authority and responsibility which may be conferred under the Indian Act. Since 1959, 76 bands have been granted permission to control, manage and expend in whole or in part their revenue moneys.

RECOMMENDATION OF JOINT INDIAN AFFAIRS COMMITTEE

Question No. 871—**Mr. Howard:**

What action, in detail, has been taken with respect to the following recommendation of the joint committee of the Senate and the House of Commons on Indian affairs: "An Indian claims commission should be established to hear the British Columbia and Oka Indian land questions and other matters, and that the cost of counsel to Indians for the two land questions specified above, be borne by the federal treasury"?

Mr. Badanai: Action is being taken to establish an Indian claims commission. On December 14, 1963, Bill C-130 "An act to provide for the disposition of Indian claims" was given first reading in the House of Commons. The bill was subsequently sent to Indian bands, Indian organizations and others for study and comment with the objective of introducing a new bill with such changes as might be required as a result of consultation with Indians and others. Also see *Hansard* page 3433.

TRANSPORT DEPARTMENT CONSTRUCTION PROJECTS, GUYSBOROUGH COUNTY, N.S.

Question No. 885—**Mr. Armstrong:**

1. Were any construction projects undertaken in Guysborough county, Nova Scotia, during the 1963-64 year by the Department of Transport and, if so, from whom were tenders received in the case of each project, and in what amounts?
2. To whom were the contracts awarded?

Mr. Pickersgill: 1 and 2. Construction projects undertaken by the Department of Transport in Guysborough county, N.S., during 1963-64:

(1) Construction of two single dwellings at Ecum Secum, N.S. List of tenders: Stevens & Fiske Construction Ltd., Fairview, N.S., $43,641; MacDougall Construction Company, New Glasgow, N.S., $44,724; Nordbec Construction Inc., Rimouski, P.Q., $45,800; Albert E. Whidden, Antigonish, N.S., $49,468.30; Eastern Contracting Ltd., New Glasgow, N.S., $49,910; Malach Roofing & Flooring Limited, Windsor, Ont., $51,990; Continental Construction Co. Ltd., Dartmouth, N.S., $64,675.20; Cameron Contracting Limited, Halifax, N.S., $68,240.

Contract awarded to: Stevens & Fiske Construction Ltd., Fairview, N.S. Lowest tenderer.

(2) Construction of one—four bedroom dwelling, two—three bedroom dwellings, combined fog alarm and radio beacon building and concrete light tower, demolition of old building at Country Island, N.S. List of tenderers: Eastern Woodworkers Ltd., New Glasgow, N.S., $104,000; Cameron Contracting Ltd., Halifax, N.S., $117,757; Nordbec Construction Inc., Rimouski, P.Q., $131,800; Continental Construction Co. Ltd., Dartmouth, N.S., $137,583.

Contract awarded to: Eastern Woodworkers Ltd., New Glasgow, N.S. Lowest tenderer.

ABITIBI, QUE., COMMEMORATIVE STAMP

Question No. 918—**Mr. Laprise:**

Since 1964 is the fiftieth anniversary of Abitibi, and since large scale festivities will be held to mark the occasion, does the Postmaster General intend to issue a stamp to commemorate this anniversary?

[*Translation*]

Answer: No. It is considered desirable to continue the established precedent of issuing stamps to commemorate the important anniversaries of only the provincial capitals.

[*Text*]

ARDA PROJECTS, QUEBEC

Question No. 921—**Mr. Latulippe:**

1. How many ARDA projects are now underway in the province of Quebec in co-operation with the government of that province?
2. What ARDA projects are underway in the constituency of Compton-Frontenac?

[*Translation*]

Answer: 1. 104.

2. There are no ARDA projects underway in the constituency of Compton-Frontenac.

[*Text*]

CONTRIBUTIONS OF BOOKS TO DEVELOPING COUNTRIES

Question No. 925—**Mr. Latulippe:**

1. Does Canada intend to follow the example of Sweden in inviting private or government organizations, university associations or public organizations to unite in offering books to countries in the process of development?
2. Will the government study the possibility, after communicating with the Swedish international assistance agency, of creating a similar organization in Canada, with a view to participating in such a program?

3. Would the government be willing to assist religious organizations by way of postal privileges or special tariffs for the shipment of school books to countries in the process of development?

[*Translation*]

Answer: 1. The Canadian government offers books to developing countries at present. For instance, Canada has given fairly large collections to national and university libraries in African countries in the process of development on the occasion of their independence. Books are also distributed to such states under the program of book donations administered by the Department of External Affairs. The external aid office has a program for the distribution of technical, legal and academic books to developing countries. The government constantly encourages the work, in Canada, of voluntary organizations which look after foreign aid, including the distribution of books overseas.

2. A certain number of Canadian organizations, such as religious orders, branches of the I.O.D.E., schools and Overseas Book Centre, 151 Bloor st. west, in Toronto, have already undertaken to choose and repair books which are sent to libraries and interested institutions in developing countries.

3. More information would be needed for us to give proper consideration to such a proposal.

[*Text*]

POLITICAL REFUGEES

Question No. 928—**Mr. Latulippe:**

1. What is the present number of political refugees in Canada?

2. From what countries do they come?

3. How many have expressed the desire to move to other countries or return to their country of origin?

4. How many have expressed the desire to become Canadian citizens?

5. What was the cost to the Canadian government during the past year of employees assigned to assist these refugees?

6. What was the total cost to the Canadian government during the past year of caring for these political refugees in Canada?

7. How many protests has Canada received from countries from which these refugees came?

Mr. Badanai: The answer to all parts of the hon. member's question is unknown. Immigration records are not complete respecting the total number of persons admitted to Canada who might be regarded as refugees within the usual meaning ascribed to this term. Since the end of the second world war, it is only possible to identify approximately 242,000 such persons. The main groups comprising this figure are 165,000 displaced persons, 25,000 stateless persons, and 37,000 Hungarians who fled Hungary because of the crisis in 1956. In addition, there are thousands of other individuals who were not specifically recorded as refugees upon arrival in Canada but who for political reasons left or were forced to leave their countries of origin and, being reluctant or unable to return, migrated to Canada.

WOOD BUFFALO NATIONAL PARK

Question No. 950—**Mr. Thompson:**

Has the government of Alberta made application for the return to provincial jurisdiction of that portion of Wood Buffalo national park within the province of Alberta and, if so, what action is being taken by the federal government towards this request?

Mr. Laing: Answered by reply to question No. 779.

FEDERAL RENTAL OF SPACE, AMHERST, N.S.

Question No. 965—**Mr. Coates:**

What is the estimated total cost to the federal treasury for the rental of space from private individuals or concerns at Amherst, Nova Scotia, for the fiscal year 1964-65?

Mr. Lamontagne: $23,130.

ARDA PROJECTS, SASKATCHEWAN

Question No. 984—**Mr. Southam:**

What projects under the Agricultural Rehabilitation and Development Act have been approved with the province of Saskatchewan since January 1, 1964, giving the location, date of approval, and the cost of each project?

Mr. Sauvé:

DETAIL INFORMATION RE QUESTION NO. 984

Date approved	Description of project	Location	Total shareable cost	Total federal share
1964			$	$
Mar. 6	Compiling of geological maps for an evaluation of groundwater reserves	Southern Saskatchewan	15,786	7,394
Feb. 11	Soil and water conservation flood control project	Souris conservation and development area 50 miles southeast of Regina	192,172	96,086
Jan. 30	Research—to extend the program of groundwater studies and further provide basic data on groundwater movement and recharge	Province of Saskatchewan	365,940	182,970
Mar. 19	Alternate land use—Macrorie community pasture—to acquire and develop submarginal agricultural lands	Rural municipality No. 285	185,400	112,700
Mar. 19	Alternate land use—Good Spirit community pasture—to acquire and develop submarginal agricultural lands	Rural municipality No. 274	712,665	397,332
Mar. 2	Alternate land use—Cookson grazing co-operative—to develop submarginal agricultural lands	Northern fringe area of province	21,050	10,525
Mar. 2	Alternate land use—Cabana community pasture	15 miles southeast of the town of Meadow Lake	60,500	30,250
Mar. 2	Alternate land use—Hatherleigh community pasture—to develop submarginal agricultural lands	Northeast of Cutknife	97,700	48,850
Mar. 2	Alternate land use—Jackson Lake community pasture—to develop submarginal agricultural lands	10 miles northeast of Debden	82,100	41,050
Mar. 19	Alternate land use—Bengough community pasture—to acquire and develop submarginal agricultural lands	Rural municipality of Bengough	430,500	271,000
Mar. 4	Alternate land use—Perceval community pasture—to develop submarginal agricultural lands	Municipality of Silverwood	67,500	37,916
Mar. 19	Alternate land use—Krudor community pasture—to acquire and develop submarginal agricultural lands	Rural municipality of Redberry	230,500	134,750
Mar. 19	Alternate land use—Walpole community pasture—to acquire and develop submarginal agricultural lands	Rural municipality of Martin	90,000	53,500
Mar. 19	Alternate land use—Neudorf community pasture	Rural municipality of McLeod	96,500	57,416
Mar. 4	Alternate land use—to establish the Lampard grazing co-operative	West shore of Big Quill lake	8,850	4,425
Mar. 25	Alternate land use—Mareau lake community pasture—to acquire and develop submarginal agricultural lands	Bjorkdale and Kelvington rural municipalities	84,000	45,000
Mar. 25	Alternate land use—Lizard Lake community pasture—to develop submarginal agricultural lands	30 miles north of Biggar	89,600	44,800
Mar. 25	Alternate land use—Whelan fodder project—to acquire and develop submarginal lands	Northwestern part of settlement	47,000	23,833
Mar. 25	To continue the soil capability for agriculture research program during 1964–65	Various locations within province	28,000	28,000
Mar. 25	To undertake an accelerated soil survey program in the pilot rural development research region during 1964–65	Census district 16	8,000	8,000

CONFERENCE ON FORESTRY INSECTS AND DISEASES

Question No. 988—**Mr. Latulippe:**

1. Will government specialists in forest entomology and pathology participate in the seminar on insects and diseases harmful to forests, to be held in England from July 20 to July 30 and, if so, what are the names of the specialists, what work does each do for the department, and who will lead the delegation?

2. What contribution will Canada make to this conference?

3. Is Canada a member of the international union of forestry research organizations and, if so (a) since what date (b) how much does such membership cost this country (c) what have been the main Canadian contributions to this organization?

4. In the Department of Forestry, who is responsible for Canadian participation in this organization?

[*Translation*]

Answer: 1. Yes. The following specialists employed by the federal government will take part in the seminar on insects and diseases harmful to forests, which will take place in England in 1964:

B. M. McGugan, associate director (entomology), forest entomology and pathology branch, Ottawa; V. J. Nordin, director (pathology), forest entomology and pathology branch, Ottawa; R. M. Belyea, chief of forest entomology and pathology laboratory, Fredericton; R. Pomerleau, chief of forest pathology research, forest entomology and pathology laboratory, Quebec; L. T. White, chief, forest pathology laboratory, Maple (Ontario); W. A. Reeks, chief, forest insect laboratory, Sault Ste. Marie (Ontario); F. E. Webb, chief, forest entomology laboratory, Winnipeg; G. P. Thomas, chief, forest entomology and pathology laboratory, Calgary; R. R. Lejeune, chief, forest entomology and pathology laboratory, Victoria.

The delegation is under the joint direction of Mr. McGugan, in charge of the entomological personnel, and Mr. Nordin, in charge of the pathological personnel.

2. The delegates of the forestry department will take part in the general discussions on the threat caused by the intercontinental dissemination of forest insects, and tree diseases, as well as on the means of lessening that threat, and they also have written the various briefs listed hereafter:

Repercussions of Tree Diseases on Forest Production in North America; Intercontinental Spreading of Forest Pathogenic Agents; Possible Dangers Resulting from Root Diseases; Forest Entomology in Canada; The Role of the Forest Entomologist.

3. The Canadian members of the international union of forestry research organizations include the forestry departments of several Canadian universities, the Minister of Forestry and some other research organizations. (a) The forestry service of the former department of the interior became a member of the international union of forestry research organizations in 1932. (b) The yearly fee is $30. (c) The main contributions of the Department of Forestry to this organization include its representation in the standing committee, the participation of officers of the department in the studies of technical sections dealing with various aspects of forest management, for instance, fires, soils and forestry types, tree diseases, insects and forest products, as well as the presence of its delegates to the meetings of the congresses which are held periodically every three or five years.

4. The participation of the forestry department in the studies of the international union of forestry research organizations is the responsibility of the deputy minister of forestry, as well as that of the directors of the three research branches of the department he may delegate.

[*Text*]

WOOD BUFFALO PARK—RETURN TO PROVINCE

Question No. 989—**Mr. Kindt:**

What progress has been made in negotiations between the federal government and the provincial government of Alberta with regard to the return of Wood Buffalo national park, in whole or in part, to the province?

Mr. Laing: Answered by reply to question No. 779.

VACATION LEAVE CIRCULAR, TRANSPORT DEPARTMENT

Question No. 1,001—**Mr. Howard:**

1. What has been the response from each air service establishment or station to whom R.D.A.S. circular No. 3/64 (File 1802-1) by T. G. How, regional director, air services division, Department of Transport, was issued?

2. With reference to the circular, tabled by the Minister of Transport, which states in part, "It has been drawn to our attention by a recent suggestion that some stations may still be considering seniority only in arranging their vacation leave schedule...While we do not intend to attempt to control annual leave programs, at the same time if the arrangement we have outlined is not being followed now we would strongly recommend that it be adopted", what steps have been taken or are contemplated if this so-called strongly recommended arrangement is not followed?

3. Under what authority did Mr. T. G. How issue the said circular and was it issued with the knowledge or consent of any of his superiors?

4. Are any steps being taken to countermand the said circular, and, if so, what steps and initiated by whom?

Mr. Pickersgill: 1. There has been no response from air services establishments and stations to whom regional director air services circular No. 3/64 was issued.

2. The administration of local leave programs is left to the decision of local officers in charge within the broad framework of direction.

3. Subject to the provisions of the Civil Service Act and civil service regulations, the deputy head is authorized by the Civil Service Act, section 63 (4) to administer leave programs. This authority has been delegated to regional directors, air services, in relation to those employees under their jurisdiction.

4. No steps are being taken to countermand the said circular.

INVITATIONS TO FORESTRY MINISTER, SKEENA CONSTITUENCY

Question No. 1,008—**Mr. Howard:**

Has the Minister of Forestry been invited to attend any function or visit any place in the electoral district of Skeena for 1964, and, if so, with respect to each such invitation, by whom was the invitation given, for what function or purpose, at what time or times, and has it been (a) accepted or (b) declined?

Mr. Sauvé: No.

INVITATIONS TO NORTHERN AFFAIRS MINISTER, SKEENA CONSTITUENCY

Question No. 1,017—**Mr. Howard:**

Has the Minister of Northern Affairs and National Resources been invited to attend any function or visit any place in the electoral district of Skeena for 1964, and, if so, with respect to each such invitation, by whom was the invitation given, for what function or purpose, at what time or times, and has it been (a) accepted or (b) declined?

Mr. Laing: Yes, an invitation was extended by the city of Prince Rupert to officiate at the opening of the new city hall which was previously a federal government building and to attend a civic dinner in honour of the Minister of Northern Affairs and National Resources and as guest speaker. This invitation was accepted and carried out on April 30, 1964. An invitation was also received from the Kitimat chamber of commerce to attend the 33rd annual convention of the associated chamber of commerce of central British Columbia being held on June 4, 5, 6, 1964. This invitation was declined due to previous obligations.

INVITATIONS TO PRIME MINISTER, SKEENA CONSTITUENCY

Question No. 1,019—**Mr. Howard:**

Has the Prime Minister been invited to attend any function or visit any place in the electoral district of Skeena for 1964, and, if so, with respect to each such invitation, by whom was the invitation given, for what function or purpose, at what time or times, and has it been (a) accepted or (b) declined?

Mr. Davis: The Prime Minister received an invitation from Mr. G. Harris, chairman, convention committee, Kitimat chamber of commerce, to be guest speaker at the annual convention of the associated chambers of commerce of northwest British Columbia and southern Alaska on June 5 or 6, 1964. Declined.

[Mr. Pickersgill.]

PEMBINA RIVER FLOOD CONTROL REPORT

Question No. 1,030—**Mr. Jorgenson:**

1. What were the terms of reference for the study of flood control and water conservation on the Pembina river by the international joint commission?
2. When is the commission expected to complete its study?
3. When will the report be available?
4. Has an interim report been submitted?

Mr. Martin (Essex East): 1. The commission is requested to determine what plan or plans of co-operative development of the water resources of the Pembina river basin would be practicable, economically feasible and to the mutual advantage of Canada and the United States, having in mind: (a) domestic water supply and sanitation; (b) control of floods; (c) irrigation; and (d) any other beneficial uses. In the event that the commission finds that these criteria can be met, it is asked to make recommendations to the two governments concerning a specific plan or plans.

2. The international Pembina river engineering board set up by the commission to carry out the technical studies under this reference is expected to report to the commission in December of this year.

3. On receipt of the board's report, the commission will consider the terms of its report to the two governments. Normally, this would occur after public hearings in the area.

4. No.

PUBLIC SERVICE SECURITY INVESTIGATIONS

Question No. 1,033—**Mr. Orlikow:**

1. Has the new policy regarding security investigations promised by the Prime Minister last session been established and, if not, how long will it be before it is ready?
2. If it has been completed and approved, have its terms been made known to the employees of the government and their associations?
3. Will a copy of the policy and its regulations be tabled in the house?

Mr. Pearson: 1. Yes.

2 and 3. The terms have been formally communicated to all government departments and organizations. It is not customary to send directives such as this to employees or associations, nor are administrative directives normally tabled in the House of Commons. The directive is completely in line with the statement of policy and procedures announced in the House of Commons on October 25, 1963.

NORAD BRIEFING TEAMS

Question No. 1,035—**Mr. Lambert:**

1. Under what authority do teams composed of officers of the U.S. air force or army and of the R.C.A.F. travel in Canada to address meetings sponsored by service clubs, chambers of commerce, etc., for the purpose of featuring the NORAD story?
2. Are any of these NORAD briefing teams composed entirely of R.C.A.F. officers?
3. Who is responsible for the expenses of such briefing teams?
4. Has consideration been given to using R.C.A.F. personnel exclusively for such lectures and demonstrations in Canada and, if not, what are the reasons for such a decision?

Mr. Hellyer: 1. Under the authority of the joint Canada-United States North American air defence command.

2. No.

3. Since these teams originate out of NORAD headquarters, U.S.A.F. aircraft are usually used for transportation. Pay and allowances of the members of these teams are paid by their respective services.

4. Yes. However, to illustrate that NORAD is an international command both Canadian and American military personnel are used for all NORAD briefings both in Canada and United States.

ARDA PROJECTS, NEW BRUNSWICK

Question No. 1,055—**Mr. Flemming (Victoria-Carleton):**

What are the 25 ARDA projects in the province of New Brunswick?

Mr. Sauvé: 4001. Advisory services to farmers in farm woodlot management.

4002. Soil and water conservation, under the New Brunswick land improvement program to promote the development of agriculture in those areas where a good potential for development exists within delineated pilot areas during 1962-63.

4004. Alternate land use, acquisition of marginal land for forestry purposes at Lincour and the re-establishment of 15 families.

4005. Soil and water conservation, under the New Brunswick land improvement program, as outlined for project 4002, within delineated pilot areas during 1963-64.

4007. Alternate land use, acquisition of 48 acres of marginal and submarginal farm land in Northumberland county to develop Sandy Point provincial park.

4008. Alternate land use, acquisition of 8.4 acres of marginal and submarginal farm land in King's county to develop Pine Grove provincial park.

4009. Alternate land use, acquisition of 30 acres of marginal and submarginal farm land in Gloucester county to develop Val Comeau provincial park.

Questions

4010. Alternate land use, acquisition of 34 acres of marginal and submarginal farm land in Gloucester county to develop Belledune provincial park.

4011. Alternate land use, acquisition of 60 acres of marginal and submarginal farm land in Queen's county to develop Waterborough provincial park.

4012. Alternate land use, acquisition of five acres of marginal and submarginal farm land in Kent county to develop Jardine provincial park.

4013. Alternate land use, acquisition and development of 850 acres of marginal and submarginal farm land in King's county as the Buckley settlement community pasture.

4014. Alternate land use, acquisition and development of 540 acres of marginal farm land in Sunbury county as the Gilbert's Island community pasture.

4016. Research, residential adult education study in association with P.E.I. and N.S. (projects 2018 and 3022) to examine the need for residential education facilities and resources and to develop a plan to establish centres for continuing education if a need is shown.

4017. A study of the north shore region of New Brunswick to provide background information for use in future rural development programs in the area.

4018. Management and administrative coordination in the New Brunswick pilot rural development research region.

4019. To set up a rural development leadership training seminar as part of the New Brunswick pilot rural development research region program.

4020. To accelerate the soil survey and interpretation of soil capability for agriculture in the New Brunswick pilot rural development research region.

4021. To develop a soil capability inventory of the agricultural lands in the province.

4022. A comprehensive study program for the New Brunswick pilot rural development research region.

4023. Research, serial photography of the settled areas and adjacent portions of the New Brunswick pilot rural development research region.

4024. Soil and water conservation, to undertake emergency river bank erosion control works where substantial acreages of agricultural lands are threatened.

4025. Alternate land use, to acquire eight acres of marginal and submarginal cultivated farm land for a public recreation area on highway 11, between Bathurst and Tracadie.

4026. Soil and water conservation, to assist in the development of controlled water areas

for multipurpose uses. The project is limited to rural ponds where the total cost does not exceed $3,000.

4027. Alternate land use, to acquire and develop marginal agricultural land as the Botsford Westmorland community pasture.

4028. Soil and water conservation, under the New Brunswick land improvement program, as outlined for project No. 4002, within delineated pilot areas during 1964-65.

EXCLUSION OF ALEWIVES UNDER FISHERIES ACT, N.B.

Question No. 1,058—**Mr. Crouse:**

For what reasons did the Minister of Fisheries make a special order under section 29 of the Fisheries Act, excepting from the operations of that section the taking, selling or exporting of alewives in the county of Gloucester in the province of New Brunswick?

Answer: To permit utilization of alewives for reduction to fish meal. The operation provides income to fishermen where, because of the depressed state of the pickled alewife trade, no other outlet for disposal exists.

NATIONAL PARK, QUEEN'S COUNTY, N.S.

Question No. 1,061—**Mr. Crouse:**

1. How much money has the federal government contributed to date toward the establishment of a national park in Queens county, Nova Scotia?
2. What projects are planned for 1964-65 and 1965-66 which will provide employment in developing the park?
3. How much money will be allocated for developing these projects?
4. On what specific date does the government estimate a start will be made on developing this tourist attraction?

Mr. Laing: 1. To date, approximately $1,000 has been spent by the federal government.

2 and 3. Ground survey work is planned for 1964-65. Planning for 1965-66 and the following years is still in progress.

4. Assuming that the land can be transferred by the province later this year as expected, it should be possible to start major work early next spring.

TERMINATION OF FLYING TRAINING, PENHOLD, ALTA.

Question No. 1,067—**Mr. Thompson:**

1. When will the present flying training program at R.C.A.F. Penhold terminate?
2. Is the government presently formulating plans for the use of the training and airport facilities at Penhold after the Harvard flying training program terminates, and if so, how soon is it expected that such policies will be announced?

Mr. Hellyer: 1. It is expected that the present flying training program will terminate in the spring of 1965.

2. Studies are being undertaken in respect to the possible future use of the facilities at Penhold. As these studies must be co-ordinated with the over-all reorganization plan for the armed forces it will be some time before any decision is taken.

[Mr. Sauvé.]

COUNT DE LA BOULARDERIE HISTORICAL SITE

Question No. 1,073—**Mr. Muir (Cape Breton North and Victoria):**

1. On what date did the historic sites and monuments board hold its last meeting and when is the next meeting scheduled to take place?
2. Will the historical importance of the Count de la Boularderie settlement on Boularderie island be on the agenda at that time?

Mr. Laing: 1. October 28-29, 1963; the dates for the next meeting have not yet been fixed.

2. Yes.

MASTER OF FISHERIES PATROL CRAFT "SCATARIE II"

Question No. 1,074—**Mr. Muir (Cape Breton North and Victoria):**

1. Who is the master of the fisheries patrol craft *Scatarie II*?
2. Where is his residence and what are his qualifications?
3. When was he appointed?
4. What are the qualifications required as master of the fisheries patrol craft *Scatarie II*?

Answer: 1. The *Scatarie II* is not a fisheries patrol craft.

2. Answered by No. 1.

3. Answered by No. 1.

4. Answered by No. 1.

ARMED FORCES RECRUITING

Question No. 1,082—**Mr. Rynard:**

1. How many enlistments have there been in the armed forces during the months January, February, March and April of this year?
2. What amount of money has been spent on advertising for recruiting purposes during January, February, March and April of this year?

Mr. Hellyer: 1. January, 728; February, 754; March, 696; April, 697.

2. The recruiting advertising program is planned on a yearly basis with the value of advertising placed for the first four months of this year being as follows: January, $25,033.47; February, $45,657.91; March, $69,249.89; April, $19,540.89.

These monthly amounts are not related directly to the number of enlistments in a given month.

TRANS-CANADA HIGHWAY BRIDGE, GRAND FALLS, N.B.

Question No. 1,084—**Mr. Flemming (Victoria-Carleton):**

1. On the trans-Canada highway, has the location of the bridge across the Saint John river at or near Grand Falls, Victoria county, New Brunswick, been determined and, if so (a) what is the approximate location (b) is this location east or west of the town of Grand Falls?

2. What is the estimated cost of this bridge?
3. Will the estimates for next fiscal year include an item to cover the cost of this bridge?

Mr. Deschatelets: 1. Location of bridge has not yet been determined.

2. Not yet known.

3. Federal payments to the provinces in respect of trans-Canada highway construction are provided by the statutory appropriation under the Trans-Canada Highway Act.

ADVERTISING REVENUE, STATION CJBC, TORONTO

Question No. 1,085—**Mr. Cowan:**

What was the division of the advertising revenue of radio station CJBC Toronto, in the month of April, 1964, between advertising in the French language and advertising in the English language?

Mr. Lamontagne: I am advised by the Canadian Broadcasting Corporation that all advertising revenue of station CJBC for the month of April, 1964 was from advertising in the English language.

LEGAL DIVISION, EXTERNAL AFFAIRS DEPARTMENT

Question No. 1,086—**Mr. McNulty:**

Is the government giving consideration to the implementation of the recommendation by the Glassco commission to effect certain modifications in the staffing of the legal division of the Department of External Affairs in order to build up a core of specialists in international law, and, if so, how soon can action on this matter be expected?

Mr. McIlraith: The Glassco commission's recommendations contained in the report on legal services have been under study by a committee of officials established under the auspices of the bureau of government organization. No decision has yet been reached by the government with respect to the commission's recommendation relating to the legal division of the Department of External Affairs.

*BILINGUALISM COMMISSION—TRAVEL ABROAD

Question No. 1,088—**Mr. Ormiston:**

Will the Prime Minister inform the house if the royal commission on bilingualism and biculturalism intends to travel abroad this summer and, if so, to what countries and for what purpose?

Mr. Davis: We are informed by the co-chairmen of the royal commission on bilingualism and biculturalism as follows: the royal commission on bilingualism and biculturalism does not intend to travel abroad this summer.

Mr. Bell: How about the following summer?

PORT ELGIN, ONT.—DEMOLITION OF OLD TOWN HALL

Question No. 1,099—**Mr. Loney:**

Have tenders been advertised for the demolition and removal of the old town hall on the property purchased by the federal government for the construction of the new proposed post office in Port Elgin and, if so, who was the successful tenderer and what was the amount of the tender?

Mr. Deschatelets: No. Demolition will be included in the contract for the new building for which tenders are expected to be advertised very soon.

QUESTIONS PASSED AS ORDERS FOR RETURNS

BUSINESS FAILURES, 1962-63

Question No. 562—**Mr. Mather:**

1. To what is attributable the major increase in commercial failures recorded in 1963 under the bankruptcy and winding-up acts?
2. What was the estimated total liabilities of such business failures in 1963 and 1962?

Return tabled.

GRANTS TO RESEARCH SCIENTISTS

Question No. 818—**Mr. Flemming (Victoria-Carleton):**

What government grants, awards and amounts were given to research scientists, together with amounts, projects and other information, during the fiscal year ending March 31, 1964?

Return tabled.

FEDERAL EXPENDITURES ON FISHING INDUSTRY

Question No. 912—**Mr. Danforth:**

What is the total amount of federal money paid out to the fishing industry in the province of (a) New Brunswick (b) Prince Edward Island (c) Nova Scotia (d) Newfoundland (e) British Columbia, for the years 1961, 1962, 1963, in the form of (i) grants, subsidies, loans for fishing boats, gear, nets, etc. (ii) grants, subsidies, loans for fish processing plants, facilities for bait, cold storage, etc.?

Return tabled.

CANADIAN FLAG

INQUIRIES WITH RESPECT TO HOLDING OF REFERENDUM

On the orders of the day:

Mr. Robert C. Coates (Cumberland): Mr. Speaker, on May 21 I posed three questions to the Prime Minister, two of which were answered. The Prime Minister gave no reply to the third question, which does not appear in *Hansard*. However, I feel that it should be placed on *Hansard* in the context of the three questions I posed. In effect I asked the Prime Minister why, in view of the fact that there was a great demand for a national referendum, he continued to endeavour to impose his own personal design on the Canadian public.

Right Hon. J. G. Diefenbaker (Leader of the Opposition): Mr. Speaker, I would like to ask the Prime Minister whether a petition has

been received from the national leader of the Imperial Order Daughters of the Empire requesting a plebiscite or referendum on the question as to whether the red ensign should be maintained or an alternative should be considered. If so, what has been his reply to that resolution?

Right Hon. L. B. Pearson (Prime Minister): I have received a good deal of correspondence on this question, Mr. Speaker, and I am not certain whether a communication has come from the Ontario branch of the organization referred to by the right hon. gentleman. But I will look into the matter at once.

Mr. Diefenbaker: Mr. Speaker, is there any foundation for the rumour that the Prime Minister and the government have decided that a referendum will take place on this subject, so that Canadian unity will not be bifurcated or even fragmentized by strict adherence to what is becoming generally known as the Pearson pennant?

[*Translation*]

Mr. Gilles Grégoire (Lapointe): Mr. Speaker, I wish to direct a supplementary question to the Prime Minister. Is he aware that a petition was sent to the Leader of the Opposition by the Conservative members of the province of Quebec asking him to accept a distinctive Canadian flag without insisting on a referendum?

[*Text*]

Some hon. Members: Hear, hear.

Mr. Pigeon: Not two flags.

Mr. Erik Nielsen (Yukon): Mr. Speaker, my supplementary question is based upon a release over radio station CKNW in New Westminster of a wire story from Ed Murphy of the press gallery that the new Canadian flag design would be a single red maple leaf on a plain white background. My question is, will the Prime Minister take the house into his confidence, since Mr. Murphy attributed his source to a highly placed government official?

Mr. Speaker: The hon. member for—

Mr. Nielsen: Mr. Speaker, the Prime Minister was about to rise to answer my question as to whether his office has leaked this information. I think the house is entitled to a reply.

Mr. Pearson: Of course, Mr. Speaker, under the rules I am instructed not to answer questions which inquire whether statements made in a newspaper are correct. Nevertheless I do not mind telling my hon. friend that this story is purely speculative.

Mr. Diefenbaker: Possibly now, Mr. Speaker, I could get an answer to my question. Has the Prime Minister decided now, or is he giving consideration to having a referendum on this question, rather than endeavouring to push this pennant down the throats of the Canadian people?

Mr. Speaker: The hon. member for Port Arthur.

Mr. Fisher: My question is not on the flag, Mr. Speaker.

Mr. G. W. Baldwin (Peace River): I have a supplementary question on the flag, Mr. Speaker. I wonder whether the Prime Minister could indicate whether the resolution on the flag, if there is to be one, when introduced will be one of the items to which he referred on May 15, as reported at page 3304 of *Hansard*, when he said:

> Circumstances or developments may make it necessary or desirable to add to the list I have given, and the additions may require priority over existing items either now on the order paper or on the list I have given.

Mr. Pearson: Yes, Mr. Speaker, that will be one of those items.

Mr. Baldwin: A further supplementary question, Mr. Speaker. Would the Prime Minister indicate whether it is his view that considering the importance the government attaches to this matter, when debate is once entered into it should continue without being interrupted by other government legislation, and that each member wishing to make a contribution should have ample opportunity to do so?

Mr. Pearson: I think that is a very reasonable suggestion, Mr. Speaker.

Mr. H. Russell MacEwan (Pictou): I have a further question on this matter, Mr. Speaker. I wonder whether the Prime Minister has received a communication from the premier of Newfoundland stating that he would only accept a distinctive Canadian flag if the red ensign or the union jack, or both, remain equally the flag or flags of Canada.

Mr. Pearson: No, Mr. Speaker, to my knowledge I have received no such communication.

[*Translation*]

Mr. Marcel Lessard (Lake St. John): Mr. Speaker, I should like to direct a question to the Minister of National Defence—

[*Text*]

Mr. R. W. Prittie (Burnaby-Richmond): Mr. Speaker, I have a supplementary question for the Prime Minister. Has the Prime Minister received the views of the premier of Nova Scotia on the question of the flag?

Mr. Pearson: Only in so far as they were communicated to the country in a speech to the Canadian club in Montreal a few weeks ago.

Mr. W. H. A. Thomas (Middlesex West): Mr. Speaker, I have a further supplementary question for the Prime Minister. Since we in Canada have adopted the principle of opting out, could consideration be given to permitting municipalities that wish to do so to opt out of the proposed flag legislation?

Some hon. Members: Oh, oh.

Mr. P. V. Noble (Grey North): Mr. Speaker, I would like to direct this question to the Prime Minister. Did the Prime Minister communicate directly or indirectly with the Queen by any means with respect to the red ensign or any other proposed flag?

Mr. Pearson: Mr. Speaker, I think I should tell the house that I have, in an informal way, informed the Queen, through her private secretary, of the intentions of the government in this matter, without of course asking for the Queen's advice, which would be unconstitutional. As a matter of courtesy it was surely desirable to let the Queen know what the intentions of the government were in this matter, and that has been done.

An hon. Member: Why didn't you tell the hon. member for Hull (Mr. Caron)?

Mr. Diefenbaker: Mr. Speaker, I do not want the Prime Minister in any way to go into detail, because the Queen would not get any more information than the house has received, I suppose—

Some hon. Members: Hear, hear.

Mr. Diefenbaker: —but would the Prime Minister say when it was that he communicated with the secretary of Her Majesty the Queen?

Mr. Pearson: I have not the exact date in my mind, Mr. Speaker. The first communication was a good many days ago, and there has been one since that time.

Mr. Diefenbaker: Mr. Speaker, the Prime Minister says "a good many days ago". Does that mean more than a month ago?

Mr. Pearson: No, Mr. Speaker.

Mr. Nielsen: A supplementary question, sir. In answering my previous question the Prime Minister indicated that the story was speculative. I wonder if he would also tell the house whether it was speculative when Mr. Murphy quoted the source of his information as a highly placed government official.

Mr. Speaker: Order, please. I do not think that question is in order.

Mr. Coates: Mr. Speaker, I have a supplementary question that goes back to the matter of the flag. I wish to ask the Prime Minister whether he would assure this house that our Queen will not be involved in what is rapidly developing and deteriorating into a partisan political matter, the matter of the selection of the design for the flag.

Mr. Pearson: Mr. Speaker, that danger occurred to me as I listened to certain questions in the last five minutes.

Some hon. Members: Hear, hear.

Mr. Coates: Mr. Speaker, I would like to ask the Prime Minister whether that danger did not occur to him when he made his speech to the Royal Canadian Legion?

Mr. Speaker: Order, please. This is a statement, not a question.

[*Later:*]

[*Translation*]

Mr. L. J. Pigeon (Joliette-L'Assomption-Montcalm): Mr. Speaker, I should like to direct a question to the Prime Minister. Could he assure the house that once the government has given the country a distinctive national flag, which will be flown on the parliament buildings, he will never allow another symbol remindful of a foreign country to be flown beside the national flag?

[*Later:*]

[*Text*]

Mr. Noble: I should like to ask the Prime Minister a question supplementary to the one put to him a while ago. Did the right hon. gentleman not mislead the House of Commons on Thursday when he answered "no" to the question whether he had sent a telegram to the Queen with regard to the red ensign?

[*Later:*]

Mr. Diefenbaker: I wonder if the Prime Minister has taken a vow of silence with respect to questions asked him in the house. I know he could take that stand, but I ask him now—

An hon. Member: Intelligent questions.

Another hon. Member: Quack, quack.

Mr. Diefenbaker: Don't dishonour the ducks. I ask the right hon. gentleman now whether the communication made to the secretary to the Queen was by telegram, or whether it was a communication sent by the Governor General. I ask this only in view of the fact that the Prime Minister gave such a definite answer the other day.

Mr. Pearson: The exchange of views was both by telephone and by telegram, and the Governor General was informed.

Inquiries of the Ministry

CANADIAN BROADCASTING CORPORATION

WITHDRAWAL OF FILM RESPECTING PRIME MINISTER

On the orders of the day:

Mr. D. M. Fisher (Port Arthur): Mr. Speaker, I want to ask the Prime Minister a question with regard to the Pearson film. It arises out of the answer he gave last week when he said "We on this side of the house do not censor films". I want to ask the Prime Minister, if this is the case, why the film was screened before his government advisers, and was there an opinion as to whether these advisers liked the film and felt it should go to Mr. Reeves Hagan of the C.B.C.?

Mr. Speaker: Order, please. I realize the great interest in this matter, but is this question a vital, urgent one that requires to be answered today?

Some hon. Members: Yes.

Mr. Speaker: In my opinion it should be placed on the order paper.

Mr. Fisher: I will debate it at ten o'clock, Mr. Speaker.

SUGGESTED DELAY IN DEVELOPING COLOUR TELEVISION FACILITIES

On the orders of the day:

Mr. Lloyd R. Crouse (Queens-Lunenburg): Mr. Speaker, I should like to direct a question to the Prime Minister. In view of the fact that the C.B.C. operating deficit for 1962-63 exceeded $72.5 million, will the Prime Minister impress upon the board of broadcast governors the need for providing better black and white television for all Canadians throughout Canada before any action is taken in developing facilities for colour television, which would be too costly for the average Canadian and would further add to his taxes and the country's deficit?

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, I will be glad to bring my hon. friend's observations to the attention of the B.B.G.

NATIONAL DEFENCE

MEETING OF JOINT U.S.-CANADIAN MINISTERIAL COMMITTEE

On the orders of the day:

[*Translation*]

Mr. Marcel Lessard (Lake St. John): Mr. Speaker, I would like to direct a question to the Minister of National Defence. In view of the fact that Washington announced that next June 25 the Canada-U.S. ministerial committee would study the defence systems of the North American continent, can the minister tell the house who will be the Canadian delegates to that conference?

[*Text*]

Hon. Paul Hellyer (Minister of National Defence): Yes, Mr. Speaker, the announcement was also made here. The Canada-United States ministerial group on defence will meet in Washington on June 25. The Canadian delegation will be led by the Secretary of State for External Affairs; other members of the delegation will include the Minister of Finance, the Minister of Defence Production, the Associate Minister of National Defence and myself.

[*Translation*]

Mr. Lessard (Lake St. John): A supplementary question, Mr. Speaker. Has the minister planned to include members of the committee on defence as delegates or observers, if you wish, to give them the opportunity to see what will be going on at this conference?

[*Text*]

Mr. Hellyer: It had not been planned to take members of the special committee on defence to this meeting.

REPORT OF COMMITTEE ON REORGANIZATION OF MILITIA

On the orders of the day:

Mr. G. L. Chatterton (Esquimalt-Saanich): I wish to direct a question to the Minister of National Defence and ask whether the committee on the reorganization of the militia has yet made its report to him?

Hon. Paul Hellyer (Minister of National Defence): Not yet. The first report is expected soon.

EXTERNAL AFFAIRS

CYPRUS—EXTENSION OF PERIOD OF COMMITMENT OF CANADIAN FORCE

On the orders of the day:

Hon. Marcel Lambert (Edmonton West): Mr. Speaker, I should like to address my question to the Secretary of State for External Affairs. Will he kindly advise the house whether the United Nations secretary general has asked Canada, or whether Canada has received any direct request from the United Nations, for an extension of the period of commitment of our security forces in Cyprus beyond the original period to June 27? If so, what has been Canada's reply to this request?

Hon. Paul Martin (Secretary of State for External Affairs): First of all, Mr. Speaker, since my hon. friend has mentioned the name of the secretary general of the United Nations, may I say I am sure that all of us in this house and in this country are honoured and pleased at the fact that he is in our capital and will be addressing this parliament tomorrow morning.

There has been no formal request as yet.

ANGOLA—USE BY PORTUGAL OF CANADIAN ARMS

On the orders of the day:

Mr. H. W. Herridge (Kootenay West): I wish to direct to the Secretary of State for External Affairs a question of an urgent and pressing nature to all those who are concerned with these matters. Has the minister's attention been drawn to a statement which appeared in the *Globe and Mail* on May 23, attributed to a Dr. Ian Gilchrist? The article bears the headline "Women and Children Shot in Angola, Deserters Say". Two officers reportedly deserted because they had been asked to shoot women and children. The report goes on:

In Hamilton earlier this week, Dr. Ian Gilchrist, a Halifax-born doctor who operates a hospital in Leopoldville—

Mr. Speaker: Order, please. What is the hon. member's question?

Mr. Herridge: I was laying the foundation for my question. This doctor goes on to deal with the question of Canadian arms supplied through NATO being used for purposes such as I have mentioned, and I should like to ask the minister if he still has the same confidence in the good faith of the Portuguese government with respect to the use of these arms, supplied by Canada, as he had on December 21, 1963 when he answered my question on this subject. Would the hon. gentleman have these circumstances investigated in order, if possible, to allay the fears of the Canadian people who are concerned?

Hon. Paul Martin (Secretary of State for External Affairs): Yes, I will have the story looked into. It would be a violation of the agreement between Canada and Portugal if the story in question were true.

CANADIAN CONSTITUTION

PRIORITY FOR CONSIDERATION OF PROPOSED AMENDMENT

On the orders of the day:

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I direct a question to the Prime Minister. Since the proposed amendment to the constitution of Canada is the necessary next step before we go further with the Canada pension plan, can the Prime Minister say whether that proposed resolution will be on the order paper this week?

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, that will depend on whether we get replies from all the provinces. Three or four replies came in before the week end and they were all in agreement with the formula put forward. I hope that within the next two or three days the other replies will come in and will be in agreement, and then we can put the resolution on the order paper.

Mr. Knowles: A supplementary question, Mr. Speaker. In view of the fact that the Prime Minister has already agreed that debate on the flag should be as long as members might wish it, will he undertake that the debate on this question of amending the constitution regarding the Canada pension plan will take priority?

Mr. Pearson: I cannot very well give that assurance, Mr. Speaker, when I have not yet received the replies from the provinces and do not know for certain when they will all be in.

TRADE

VISIT OF FRENCH MISSION TO ONTARIO DAIRY FARMS

On the orders of the day:

[*Translation*]

Mr. Maurice Côté (Chicoutimi): Mr. Speaker, may I direct a question to the Minister of Trade and Commerce?

Following a press release concerning the visit of a French mission to the dairy farms of Ontario, I would like to ask him whether the program includes such a visit to French Canadian farmers so that the visitors may have an opportunity to meet their Canadian cousins?

[*Text*]

Mr. Speaker: In the circumstances would the hon. member put this question on the order paper.

WHEAT—STATEMENT BY MINISTER RESPECTING RUSSIAN EXPORTS

On the orders of the day:

Mr. Reynold Rapp (Humboldt-Melfort-Tisdale): Mr. Speaker, I have a question of importance for the Minister of Trade and Commerce. When the minister made a statement in Los Angeles to the effect that the U.S.S.R. would never again be able to export wheat and might not even be able to sustain herself, could the minister inform the house as to the source on which he based his statement, or is the statement just his opinion?

Inquiries of the Ministry

Hon. Mitchell Sharp (Minister of Trade and Commerce): Mr. Speaker, I was asked whether I had expressed an opinion. I cannot take any responsibility for what a newspaperman said I said. I merely expressed the opinion that it was unlikely the Soviet union would again be a major exporter of wheat. This was the extent of my comment at that time.

RUSSIA—SUGGESTED EXCHANGE OF PETROLEUM PRODUCTS FOR WHEAT

On the orders of the day:

Hon. Mitchell Sharp (Minister of Trade and Commerce): May I take this opportunity to answer a question which was put to me in my absence by the hon. member for Bow River, who referred to an article in the New York *Times* and asked whether there was any justification for reports of negotiations between the government of Canada and the Soviet union regarding the acceptance of Soviet petroleum and other oil products in return for Canadian wheat.

I should like to assure the house that no negotiations are being carried on with regard to such an exchange. The proposal in question was a tentative suggestion put forward by Soviet officials in the course of informal discussions with visiting Canadian businessmen. A number of other Soviet commodities including birch plywood, canned fish, watches, potash, pig iron, cotton textiles, naphthalene, benzol, window glass, furs and manganese were in fact mentioned at the same time.

CONTINUATION OF POLICY RESPECTING OIL EXPORTS

On the orders of the day:

Mr. Eldon M. Woolliams (Bow River): May I ask a supplementary question. Is the Minister of Trade and Commerce continuing the national oil policy so that we may accelerate our exports in this field to a target of approximately 800,000 barrels of crude petroleum a day, taking into account the amount we use domestically?

Mr. Speaker: Would the hon. member put this question on the order paper.

Mr. Woolliams: May I speak to that ruling for a moment? This is an important economic matter.

Mr. Speaker: Order. The hon. member knows the rules as well as I do. In particular, he knows why these rules were brought in. His question is vitally important to the future of the oil industry, I admit, but it is not so pressing as to require an answer at this time. Therefore I suggest the hon. member put it on the order paper and get a detailed, reasonable answer.

[Mr. Rapp.]

Mr. Woolliams: The Prime Minister agreed to answer this question today, and I see no reason why it should be delayed any further.

Mr. Speaker: I am unaware of that fact. If it is so, it is due to my ignorance. If the Prime Minister is ready to answer it, that is one thing. On the other hand, I do think this is the type of question which should be put on the order paper.

Mr. Woolliams: Then I give notice I wish to debate it at ten o'clock.

MISSION TO EUROPE RESPECTING PREFABRICATED HOUSES

On the orders of the day:

[*Translation*]

Mr. Maurice Côté (Chicoutimi): Mr. Speaker, I should like to direct a further question to the Minister of Trade and Commerce, regarding a Canadian delegation of 13 people sent to Europe with regard to prefab houses. Can the minister tell us how many of those thirteen delegates are bilingual, that is who can speak French and English?

[*Text*]

Hon. Mitchell Sharp (Minister of Trade and Commerce): Mr. Speaker, I can take this question as notice, or I am sure you would prefer that it be put on the order paper.

Mr. Speaker: Orders of the day.

ADMINISTRATION OF JUSTICE

HOLDING OF UNITED STATES CITIZEN IN TORONTO JAIL

On the orders of the day:

Mr. David Orlikow (Winnipeg North): I wish to direct a question to the Minister of Justice. Is the minister aware that a United States citizen was held in the Don jail in Toronto for 97 days before being charged with any offence? If so, has the minister taken any steps to deal with this disgraceful situation?

Hon. Guy Favreau (Minister of Justice): I will be glad to take this question as notice. I will confer with my colleague the Minister of Citizenship and Immigration and ask for a report. I hope to be in a position to answer on Wednesday.

SPORTS

HOCKEY—NATIONAL CANADIAN TEAM FOR INTERNATIONAL COMPETITION

On the orders of the day:

Mr. Eric A. Winkler (Grey-Bruce): I have a question for the Minister of National Health and Welfare. Will the minister inform the

house and the country of any plans sponsored by the Canadian hockey association and supported by the fitness and amateur sports council with regard to the establishment of a Canadian hockey team for international competition based here in the nation's capital?

Some hon. Members: Order paper.

Mr. Speaker: Would the hon. member put this on the the order paper.

CANADIAN NATIONAL RAILWAYS

POLICY RESPECTING OPERATION OF HOTELS

On the orders of the day:

Hon. J. A. MacLean (Queens): I should like to direct a question to the Minister of Transport. I regret not having given him notice. Would the hon. gentleman tell the house what is the current policy of Canadian National Railways with regard to the retention or sale of Canadian National hotels; and specifically, will he tell us whether the C.N.R. hotel at Charlottetown has been sold or is about to be sold?

Hon. J. W. Pickersgill (Minister of Transport): I do not think there is any policy of a general character with regard to this matter. I will inquire of the management of the Canadian National Railways whether there are any negotiations in progress concerning the particular hotel in question.

Mr. G. L. Chatterton (Esquimalt-Saanich): A supplementary question. Can the minister say whether consideration is being given to the transfer of the management of any of the remaining C.N.R. hotels?

Mr. Pickersgill: Not that I know of.

AGRICULTURE

EGGS—DROP IN PRICE IN WESTERN CANADA

On the orders of the day:

Mr. E. Nasserden (Rosthern): I have a question for the Prime Minister. Is the Prime Minister aware that eggs are selling for as little as 12 and 13 cents a dozen in country stores in Saskatchewan? Will the right hon. gentleman bring this matter before a special committee of the cabinet with a view to relieving the discrimination suffered by producers under the present regulations governing support prices for eggs?

Mr. Speaker: Would the hon. member put this on the order paper.

[*Later:*]

Mr. Nasserden: Surely an inquiry asking whether the Prime Minister would give consideration to such a proposal should not have to wait for the order paper as you have indicated to us today, Mr. Speaker. I think the Prime Minister should get up and give us a clear answer off the cuff.

Right Hon. L. B. Pearson (Prime Minister): That is a very offensive suggestion, in view of the fact that His Honour has ruled that the question should be put on the order paper. The hon. member is suggesting I should get up and contradict the Speaker.

LABOUR RELATIONS

CONCILIATION BOARD REPORT RESPECTING NON-OPERATING RAILWAY EMPLOYEES

On the orders of the day:

Mr. David Orlikow (Winnipeg North): I wish to address a question to the Minister of Labour and ask him if the conciliation board headed by Mr. Justice Munroe dealing with the matter of wage negotiations with non-operating railway employees has submitted its report and, if so, when it will be published.

Hon. A. J. MacEachen (Minister of Labour): The chairman of the conciliation board has delivered a majority report. A minority report is expected very shortly from the third member of the board. When that report is received, steps will be taken to release the two reports.

CANADIAN CENTENNIAL

ISSUE OF COMMEMORATIVE MEDAL MADE IN U.S.

On the orders of the day:

[*Translation*]

Mr. L. J. Pigeon (Joliette-L'Assomption-Montcalm): Mr. Speaker, I would like to direct a question to the Secretary of State. Can he tell the house why the builders of the monument to the fathers of confederation, in Charlottetown, have begun distributing a commemorative medal made in the United States rather than in Canada?

[*Text*]

Mr. Speaker: This is a question for the order paper.

SHIPPING

OWEN SOUND, ONT.—REQUEST FOR HARBOUR IMPROVEMENT

On the orders of the day:

Mr. P. V. Noble (Grey North): Mr. Speaker, I should like to address a question to the Prime Minister. Does the Prime Minister propose to take early action in respect of the resolution sent to him by the city of Owen Sound in order to remedy the condition of their harbour?

Right Hon. L. B. Pearson (Prime Minister): I will have to look into that resolution, Mr. Speaker.

SUPPLY

Hon. Walter L. Gordon (Minister of Finance) moved that the house go into committee of supply.

LACK OF ACTION TO ASSIST EASTERN AGRICULTURE

Hon. Alvin Hamilton (Qu'Appelle): Mr. Speaker, today is the 25th of May. Like many other Canadians I took the opportunity last week end to travel through parts of our country at this most beautiful time of the year. To my sorrow I find that the country is dividing on the subject of the flag. At a time when all our hopes should be centred upon uniting the country, this matter is now becoming a partisan issue and one, I am afraid, of a deeply emotional character.

This effort on the part of the government to force a shotgun decision on the people of Canada causes us to wonder why. I am going to suggest that one of the reasons for their great haste and the manner in which they are carrying forward this project is that they are desirous of covering up a whole series of sins of omission.

Mr. Woolliams: And commission.

Mr. Hamilton: People are wondering if this is not a device on the part of the government for the purpose not only of hiding the long list of promises unfulfilled, not only to cover up their sins of omission, but also to whitewash their sins of commission or to draw a red herring across the trail. They are wondering whether there is an election coming and, if it is coming sooner than parliament desires, if it is simply because a budget will have to be brought down at the next session of parliament which will involve all sorts of new taxes that will be required to get the government out of its present difficulties.

The subject of the flag is one on which we should all be tending to unite on the basis of a common pride and love not only for the beauty of our country but for those things for which we have stood and fought over the years, but we know that you cannot build up pride in any flag unless there is a record of achievement under that flag. We know that in Canada today discrimination of an economic sort exists. Whether it be among workers in factories of our great cities, people trying to build homes in the suburbs around our great cities or even farmers, as long as discrimination exists you cannot have a strong Canada and there is very little use in talking about a flag around which we can all unite. We cannot talk about rallying the people of this nation in pride around a flag as long as this discrimination exists.

I am going to bring to light something that is not new. It is one of the sins of omission of the government which I believe they are trying to hide with all the emotional discussion about a flag. They are trying to divide Canada to hide the fact that no action has been taken with regard to this particular sin of omission.

The government has been in power for over a year. During that year we have had 60 days of decision and 300 days of retreating. We are wondering where the retreating is going to stop. We would like to see the government not try to hide these vital economic issues by dividing the country on an emotional issue such as the symbol of our sovereignty. We want the government to get on with the job of correcting these economic discriminations.

As one member of the opposition I have tried on several occasions to bring to the attention of the people of Canada the fact that discrimination does exist between the farmers in the better farming areas who have markets for their products and the farmers in other areas which are not so good and who do not have markets. Several times I have brought this matter forward in the house on behalf of the party of which I am a member. Several times other members have supported the points of view I have expressed, yet no action has been taken.

I would recall to the house that on October 14, 1963, I took advantage of the democratic opportunity provided by the rules of the house to move an amendment to a supply motion which dealt with the plight of eastern farmers. I placed on the record at that timetables of statistics from the dominion bureau of statistics and the department concerned to show the level to which a large percentage of the farmers in eastern Canada had fallen. I also included the farmers of British Columbia in my remarks at that time.

Yet on May 25, 1964, I once again have to take advantage of the democratic opportunity provided on a motion for supply under our rules to bring forward matters about which the government has done nothing, in order to direct the attention of the people of Canada once more to the matter of action to assist the eastern farmers. There is much reason to be more satisfied today that this problem is being paid more attention by the public than was the case a year or two ago. Many newspapers are beginning to recognize that as the wealth of the farming community goes, so goes the wealth of the whole nation.

As recently as today that august newspaper the Montreal *Gazette* tells us how the great sales of wheat to the nations of the world have begun to lift up the economy of Canada and cause it to move forward even faster than before. These great sales of wheat are not enough, Mr. Speaker, unless they are backed by a program that will deal with the trouble spots. All the Liberals can say is, what did you do when you were in power? Once again I should like them to listen to the answer.

After we took power in 1957, following a generation of inactivity by the previous government, we announced a national agriculture program in this house in August, 1958. We systematically tried to carry out that program, and with some success. It was clear that the program was working for those farmers whose operations were of a commercial character, that is farmers who could take advantage of the various pieces of legislation and regulations that we had introduced to build up their economic life. It was also easily apparent that those pieces of legislation, those various acts of the government, were not sufficient to help the farmer at the bottom of the totem pole. We introduced, therefore, the well known piece of legislation called ARDA, the Agricultural Rehabilitation and Development Act. This was a long range program and had to be backed up by a series of regional, short range programs to get at the pressing problems of the areas in agriculture which were not doing well. These areas in agriculture could be found by calculating the income of the farmers.

On October 14 of last year, therefore, I put on the record of the house a series of figures to illustrate where I thought the problem was most serious. At that time I pointed out that we had gone to the country in 1962 and again in 1963 with a program to meet those conditions. We had worked out as a government, I say with some satisfaction, a program which was received well in the rural areas of B.C., the rural areas of the west, the rural areas of Ontario, and yes, even in the rural areas of Quebec and the maritimes, as the number of members here from rural areas indicates. This was a program that received no particular publicity in the city areas. However, it was a sound Canadian program because we realized we could not ever build a strong Canada if some segments of the population were weak.

We were right in 1957 and 1958 in saying that agriculture had to be built up. We attempted to do so. I think we succeeded. But there is no use being complacent about success if some segments of the agricultural population do not share equally in the benefits others are receiving. So on October 14, 1963, I gave the country an opportunity of seeing some of the statistics, and how awful they were.

This battle is slowly being lost because of the fact that we have, as an agency of government, the dominion bureau of statistics. I have in my hand a bulletin issued last Friday, May 22, and it illustrates the reason we are losing the battle. I tried to inform Canadians that there was a problem and that you cannot build a strong Canada if some people remain weak. Listen to this statement which was issued last Friday:

> Farm cash income from farming operations, excluding supplementary payments, in Canada (excluding Newfoundland) was estimated at an all-time high of $3,219.1 million in 1963, up by 2.1 per cent from 1962's preceding peak of $3,154.2 million. Higher receipts from the sale of wheat, coarse grain, tobacco, and poultry and dairy products contributed most to the increase.

This is the type of statement that is detrimental to the efforts we are making in this house to bring to the attention of Canadians a situation which is not good for the people of this country. If you go on and read the advance statement for the whole year, which was compiled by the dominion bureau of statistics, you will find they amended these figures to show that the income was up 2.1 per cent. They say that farm income is up 2.2 per cent. How can you blame the people who write our newspaper articles, who are the medium for education of our people in Canada, when they see this type of statement?

At this point I should like to go back and read the statement the minister made in introducing his estimates in this house on April 24, I believe, just about a month ago. He repeated this statement and held it up to the people of Canada as evidence that everything was well in agriculture. Everything is not well in agriculture, Mr. Speaker. What I want to do now is find out where the truth lies so that hon. members in the house will know. Let those who disseminate information disseminate the truth and not this type of meaningless claptrap.

What is the truth? Let me quote some figures that I think make sense. First of all, the Ethiopian in the woodpile in so far as these figures are concerned is the fact that they refer to net income. Net income is meaningless. It is the silliest sort of thing you ever saw, and I will illustrate that statement by dealing with the figures for the province of Saskatchewan. The net income for the province of Saskatchewan for 1961 is stated as $132 million. In 1962 the net income for the province of Saskatchewan in agriculture is stated as $506 million. Therefore from the

year 1961 to the year 1962, farm net income, according to the dominion bureau of statistics, went up nearly four times. Nothing could be more asinine than a statement like that. In 1961 you have all the editors crying how poor the farmer in Saskatchewan is, that all he made was $132 million. In 1962 they said he made $506 million, almost four times as much, so look how wealthy the farmer is. Then everybody gets mad at him.

These figures do not tell the story, Mr. Speaker. If you go on to 1963, the last figures we have, we find the net income for Saskatchewan is shown as $603 million. Everybody says, isn't the farmer doing well? He made $506 million in 1962 and $603 million in 1963, compared with $132 million back in 1961, only two years earlier. These figures do not tell the true story, because it has been assumed that the people who read these statements are knowledgeable as to how the figures are put together, and this is not true.

I should like to put on the record, if I may, the real figures for income for Saskatchewan in those years. In 1961 the realized net income, that is the cash that goes into the farmer's pocket—and that is the only thing that means anything—was not $132 million but was $343 million. These statements that were conceived in the city of Ottawa were out by over $200 million in the case of one province alone. In the year 1962, instead of $506 million, when everybody thought the Saskatchewan farmer was wealthy, the net income was $413 million. The increased income was nothing like $506 million. In 1963, when the published statement showed the net income as $603 million, the farmers' real income was down some $43 million to $370 million. I am glad the Minister of Trade and Commerce is sitting in his seat today because he knows why the income was down last year. He knows 1962 was a good year. He knows 1963 was an even better year.

Why did the farm net income in Saskatchewan go down by $43 million last year, the best year in our history? He knows that last year he would not listen when I, on behalf of the official opposition, proposed that he take certain steps to see that grain could be moved out of the St. Lawrence efficiently. He stated he knew how to move grain; he had been deputy minister under Mr. Howe. What happened? We lost days of shipping time out of the St. Lawrence because of his failure to act. Later on I felt the shipping situation in British Columbia was going bad. He said something would be done and it would be done his way, not my way. He knows that as a result they had to turn down orders for grain through the west coast ports last fall. The businessmen out there showed what they could do when you went out there and challenged them. They shipped 29 million bushels in one month. This drop in farm income was due entirely to this matter of not getting the grain out of the country. So the farmers' income was down this $43 million.

I am not worrying about the Saskatchewan farmer; he knows he will get the money eventually. I am simply pointing out that on these figures of net income, which make such beautiful and wonderful headlines, they tell the city people that the Saskatchewan farmers got up to $603 million in 1963 whereas their real income was not $603 million but about $370 million, just about half.

I would like to explain how you get this difference between realized and net income. People in the d.b.s. who keep these figures are sound statisticians. They are good bookkeepers, and when a farmer earns so much money they call that gross cash income. They take off his operating and depreciation costs and then they get his realized net income, the money in his pocket. They have another figure called inventory, and when a farmer grows a big crop or raises a lot of cattle and does not sell them they add the value to his income, and according to these figures he is very wealthy yet he has not got any money in his pocket.

The next year, when the farmer sells all that surplus, since they added it on to his income the previous year they take it off this year from the money in his pocket. Therefore net income is a meaningless figure, and is only for experts in the back room. I would plead with those who disseminate information in this country to keep away from giving the net income figure. It brings bad feelings between the city and the country, and it does not give a true picture of farm income. What you want to disseminate is the money in the farmers' pocket, and that will tell the story.

Let me tell the grim story of agriculture during the last year or so. I have in my hand figures of the realized net income, in millions of dollars, as issued by the d.b.s., which stated that net farm income was up 2.2 per cent across Canada last year or, according to the revised figures in the last bulletin, up 2.1 per cent. Whether it is 2.2 per cent or 2.1 per cent, it is a fact that there was a decrease in realized net income in every province of Canada, except two, in 1963.

Let me give the figures. In Prince Edward Island in 1958 realized income was $12,579 million, and in 1963 it was down to $6,908 million. I would not want to say it is down by half, but it is getting very close to half

what it was a few years ago. This decrease has been going on every year and continued in 1963.

In Nova Scotia in 1958 realized farm income was $15,898 million and in 1963 it was down to $11,161 million. In 1962 it was down to $13,557 million, so this shows a decrease of roughly $5 million in a seven year period. In percentages, it is almost a third.

Surely there must be some New Brunswick members in the house who would be interested in knowing that realized farm income in New Brunswick last year was $12,188 million, in 1962 it was $12,840 million, and seven years ago, in 1958, it was $21,218 million. It is now down to almost half what it was in 1958. Surely this means something to somebody.

In Quebec the situation is static, because the good farmers of Quebec are building up their income while the other 40 per cent or 50 per cent, who are on poor farms, are going steadily downhill, which means that the net result is almost static. In 1958 Quebec realized farm income was $196,645,000 and it dropped to $189,822,000 in 1963. This is not a matter of satisfaction that the good farmer's income is going up while the poor farmer's is going down.

I wonder how many members of parliament from these provinces will stand up and fight for these areas that are not doing so well. These are not just statistics; these are the stories of farmers I have met and known. These are the stories of my fellow Canadians who have a right not just to have a member of parliament in this house, but to have every member of parliament concerned about discrimination against those who are not doing so well.

I could go through the list of the provinces, but let me just leave this one figure with you; that in all the provinces of Canada, with the exception of two, realized farm income went down last year, and those two provinces do not include Saskatchewan and Alberta. We went down too, but we know why we went down and we will correct that. I give those figures because this is the truth and not this meaningless gibberish that comes from the d.b.s., which is of course satisfactory for bookkeepers but should not be used by people who have not reached the mental status where they can understand these figures.

I have tried in blunt terms to put the realized income figures on the record. I do not like to make speeches which are just tearing down the government all the time. I have been quite blunt about what I think is a failure on the part of the government. These points were all brought out in previous years, yet all the government can do is reply "What did you do when you were in power"? We, when we were in power, at least brought to the attention of the people how bad the situation was, and we prepared long range programs. We launched the study of those special areas in eastern Canada where the situation was very bad. The report of that study has never been published and should be made public now.

We were the ones who went into the 1962 and 1963 election campaigns with a program for building up eastern agriculture. We were the government which, in the speech from the throne in 1962, brought in a program to meet the situation, and we were the government which was thrown out of office on the nuclear issue on February 5, 1963, before we could bring our new farm program into effect. We were the ones who brought in a program that would take two or three years to implement, but we were thrown out on what I think was a bogus issue. However, the people of Canada will decide these things in due course.

I now hope that this tendency to quote net income figures, which show how wealthy you are when you are not, and how broke you are when you are not, will come to an end. I hope from now on we will be given the realized net income figures. When he looks at these figures province by province what member of parliament from Quebec, whether he sits on the government side or on the opposition side, is happy to sit here looking at those figures for the last few years? What member of parliament from the province of New Brunswick, no matter on which side of the house he sits, is happy about these figures? What member of parliament from Nova Scotia can be happy about these figures? I know these people, and I know that something has to be done.

Just to show how bad the situation is, if I could have permission from the house I would like to table these two sets of figures so that members could study them. Mr. Speaker, can I have permission to table them? One gives the d.b.s. figures on realized net income and the other gives the figures of income distribution, survey of farms in eastern Canada, preliminary data, prepared in the Department of Agriculture.

Mr. Deputy Speaker: Does the hon. member wish these to be printed in *Hansard* as part of his speech?

Mr. Hamilton: Yes, that is what I ask.

Mr. Favreau: I take it that the reference to this issue and the pages of the d.b.s. releases is on these figures?

Eastern Agricultural Assistance

Mr. Hamilton: I had not put the pages on here, but I have referred to the documents. They are not very big, about two or three pages, and it would not be too hard to find them.

Mr. Deputy Speaker: Is it agreed?

Some hon. Members: Agreed.

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

REALIZED NET FARM INCOME IN CANADA

Taken from D.B.S. farm income bulletins
In millions of dollars

	P.E.I.	N.S.	N.B.	QUE.	ONT.	MAN.	SASK.	ALTA.	B.C.
1958	12,579	15,898	21,218	196,645	351,012	112,391	341,804	279,804	53,214
1961	6,669	14,659	13,084	186,405	325,844	119,309	343,952	279,852	57,890
1962	7,157	13,557	12,840	195,411	353,838	123,331	413,910	301,864	68,885
1963	6,908	11,161	12,188	189,822	394,380	123,493	370,907	236,743	63,885
1963 Compared with 1962	— 249	— 2,396	— 652	— 5,589	+ 40,542	+ .152	— 43,003	— 65,061	— 5,000
1963 Compared with 1958	— 5,671	— 4,737	— 9,030	— 6,823	+ 43,368	+ 11,102	+ 29,103	— 43,061	+10,671

Income distribution, survey farms in eastern Canada (preliminary data)

Sales of farm products	Per cent of families	Total income average per farm	Per cent of total income from: Farm products	Off-farm	social payments
dollars	per cent	dollars		per cent	
Under 2,500	43	2,800	53	33	14
2,500-4,999	34	4,600	78	16	6
5,000 and over	23	10,500	92	6	3
All groups	100	5,200	79	15	6

Mr. Hamilton: The second table is from the income distribution survey of farms in eastern Canada, data which was quoted by an official of the Department of Agriculture in 1963, and this table delineates the problem. All I am going to say here is that 43 per cent of the farm families in the eastern part of Canada, that is in the northern and eastern part of Ontario and then on east to Quebec and the Atlantic provinces, have a total income—this is an average figure—of $2,800 or less; and from the tables I put on the record on October 14, 1963, you will see that more than half that income comes from income outside farms. This is total income of $2,800, out of which they have to pay taxes, look after their families and pay farm operating expenses. Of that $2,800, we see that 53 per cent comes from sales of farm produce. This means that 43 per cent of the farmers in the Ottawa valley, the northern part of Ontario, all through Quebec, P.E.I., New Brunswick and Nova Scotia have an average income from their farms, out of which they have to pay all expenses, of roughly $1,400. I submit, Mr. Speaker, that these figures show where the problem lies.

Having made those points, I would like to conclude by suggesting a program for the regions of Canada in which there is this economic discrimination. You will recall, Mr. Speaker, that under the national agricultural program that we laid down in 1958 we proposed a long range program and suggested, in the seventh point, that there should be regional programs to meet regional needs. I am going to list a regional program for eastern Canada to give some direction to the government, not with the idea alone that they should follow these suggestions but to at least give them something they can study. I know they have no ideas of their own at the moment. Their ideas do not show up, at least. Here are the ideas I put forward for their consideration. First, there should be a feed grain policy that stabilizes prices. Second, there should be a fertilizer policy that gets at this job of increasing the income of the low income farmer. Hon. members will see the importance of this by reading from the d.b.s. bulletin of February, 1964 entitled "Farm Net Income, Advanced Statement". It says:

> Farm operating expenses and depreciation charges advanced from the revised estimate...an increase of slightly less than 5 per cent.

Then it says:

> —with the more important increases being recorded for feed, fertilizers and the operation of farm machinery, including repairs.

This means that policies in respect of feed grain and fertilizer should be devised to meet this problem. Feed grain amounts to about 25 per cent of the cost of running an eastern farm, and this is the No. 1 pressing problem.

Fertilizer is growing in importance and this problem should be met head on before the opportunity goes by. With regard to farm machinery, we have heard a great deal from the Minister of Agriculture as to what he is going to do, but there has been no action.

Next is the fourth point. We need some sort of a pasture policy to get increased production off the grass in eastern Canada. Yesterday I was looking at some of these pastures and talking to the farmers about what could be done, and I know there is a very simple way of getting it done. Fifth, we need a water policy for the eastern provinces, something similar to P.F.R.A. and the programs that apply to the west. Then we need a livestock policy for the whole country, with particular reference to the east. Next, as I said when the estimates of the Department of Agriculture were being discussed, there has to be a national dairy policy, because dairy products are now produced and distributed in the whole country—in fact, they even go abroad. We should apply this national dairy policy to the regional problems which exist.

With regard to eastern feed grains, as I said a moment ago this is the No. 1 need. It costs the average eastern farmer 25 per cent of his total expenditures to buy feed grains. Last year when the government made several policy changes in the summer I told them, on behalf of the official opposition, that their policy would not succeed in stabilizing prices. The ordinary person said, "All right; let us wait for a year and see if this policy will stabilize prices". The hon. member for Nicolet-Yamaska (Mr. Vincent) started to give the figures when these estimates were under discussion a couple of weeks ago. He will give the figures tomorrow, which will bear out what I have said that these prices were not stabilized and last winter there was a large jump in the last few months of winter feeding.

The standing committee on agriculture and colonization does offer us some hope in this connection and I would suggest to the government very seriously, and I think with some correctness, that if the members on that committee are allowed to act as an all-party committee, the Liberals, the Conservatives, the N.D.P., Social Credit and the Créditistes, something can be done in this regard. I have looked at the composition of that committee and have measured the calibre of the men on it. We could come up with a strong program supported by all parties if the government will let the members of the committee act as members trying to help agriculture in eastern Canada. I know this question relates to the Minister of Forestry (Mr. Sauvé) and not the Minister of Agriculture, because the Minister of Forestry now looks after this question, but if he will give us a policy statement that the members of this committee could work in a non-partisan way, I think they could come up with an answer to these problems.

With regard to the marginal farmer, after the report of January, 1963 I gave some figures to the house on October 14 of that year, and I suggest to the Minister of Agriculture that he should let us have this report. If we have it I think some of us will be able to come forward and make some policy suggestions which will really help solve some of the problems faced by the marginal farmer. In my previous remarks on this subject last year I suggested that action be taken along educational and sociological lines, but we need the full report on this subject so that our policies can be based on fact and be made more effective.

I have almost concluded my remarks, Mr. Speaker, but I wish to wind up by saying that I do not think it is enough for the Liberal members on the other side of the chamber, when I quote these figures of low income in eastern Canada, to stand up and say, "What did you do?" That shows an empty mind and a bankruptcy of ideas. I would ask them to just remember that ARDA gets at the job on a long range basis, and they will only hinder the solution of these problems by the kind of monkeyshines to which I referred in a previous debate. ARDA will point the way a little bit, but something more is necessary. I ask the government to remember that the Conservative party drew up this program to help eastern agriculture. It helped eastern agriculture in 1962 and 1963, and we should be prepared to act upon it now.

Surely, Mr. Speaker, we do not have to draw a diagram for the government. We know they are out of ideas, but we are simply asking them to accept our positive suggestions and begin to move on them. There is no use at all saying that there are going to be amendments to the Farm Credit Corporation Act to double the amount lent from $20,000 to $40,000, and so on. This does not get at the problem of the little farmer. There is no use at all saying there will be amendments to the Crop Insurance Act, because this only helps those provinces where crop insurance is in effect; those are the only farmers who would benefit from these amendments. I ask the government not to tell us they contemplate taking some secret action with regard to farm machinery; I ask them to bring this action forward so we may consider it.

I am simply saying, Mr. Speaker, that at this moment we should seriously consider this amendment to the resolution to go into committee:

That all the words after "That" be deleted and the following substituted therefor:

"this house regrets the continuing failure of the government to take effective action with regard to the pressing agricultural problems of eastern Canada".

I am moving this motion, Mr. Speaker, seconded by the hon. member for Nicolet-Yamaska, and I have a copy here in French. While these copies are being distributed I would like to wind up by simply saying that at this time hon. members of the house should, with their vote, make sure that we are not using the flag issue as something to hide the real problems facing Canada today. It will bring more satisfaction to the workers in our cities, as I said earlier, the people in our suburbs, and our farmers, if they know that this house is moving to solve the economic problems that are causing unrest, and is not using matters such as the flag, and other matters, to cover up the real economic problems facing Canada.

Mr. Favreau: Mr. Speaker, I rise on a point of order. I submit that the present amendment should be declared out of order because the matter has already been submitted to the house and passed upon in the form of a previous motion, although the said motion was not worded in exactly the same manner.

May I refer Your Honour to the *Votes and Proceedings* of this house for Monday, May 4, 1964, page 284, to a motion that Mr. Speaker do now leave the chair. The hon. member for Brandon-Souris (Mr. Dinsdale), seconded by the hon. member for Victoria-Carleton (Mr. Flemming), moved an amendment to that motion in the following terms:

That the motion be amended by striking out all the words after "That" and substituting therefor:

"this house condemns the neglect of the government"—

Then the motion follows, and concludes in this manner:

"And urges the government, in the interests of national development, to take immediate action to make up for the year of neglect of this problem by forthwith:

(1) establishing a national advisory committee on water resources to assist in co-ordinating national resource development;

(2) accelerating the application of ARDA policies to the problems of national resource development.

Just in case an attempt might be made to argue that the first amendment put by the hon. member for Brandon-Souris on Monday, May 4 ought to be interpreted as limited to referring to the protection of water resources, I would draw to Your Honour's attention that on the same date a subamendment was proposed and that that subamendment dealt squarely and completely with all policies relating to ARDA, and therefore to eastern agriculture. That amendment is to be found at page 285 of *Votes and Proceedings* and reads as follows:

—"and practical steps in the best interests of national development to accelerate the application of ARDA policies."

If one refers to *Votes and Proceedings* for Tuesday, May 5, 1964, one notes first at page 289 that the subamendment to which I have just referred is recorded as having been substantially defeated. Then at page 290 the principal amendment is also reported as having been defeated.

May I repeat for Your Honour the last part of standing order 35 of the rules of this house, which reads as follows:

No member may reflect upon any vote of the house, except for the purpose of moving that such vote be rescinded.

It is a rule of practice in this house that whenever a question has been decided in the course of a session the matter be not put again to the house by way of amendment in the same session. I should like to quote first of all citation 200 (1) of Beauchesne's fourth edition, which is to be found at page 167.

(1) An old rule of parliament reads: "That a question being once made and carried in the affirmative or negative, cannot be questioned again but must stand as the judgment of the house." Unless such a rule were in existence, the time of the house might be used in the discussion of motions of the same nature and contradictory decisions would be sometimes arrived at in the course of the same session.

Lastly I should like to quote citation 203 (7) of Beauchesne's fourth edition, which is to be found at page 172:

(7) Mr. Speaker Sproule on the 13th February, 1913, decided that a proposed amendment which was substantially the same motion as the member had moved on the address in reply to the speech from the throne, was not in order because "a motion must not raise a question substantially identical with one on which the house has given a decision in the same session".

For that reason I suggest respectfully that the amendment ought to be declared out of order.

Mr. Knowles: Mr. Speaker, before the minister sits down will he permit a question. Would he expand a little on his contention, which I do not think he has yet established, that there is an identity between the previous motion and this one? Or to be more specific does he contend that ARDA and eastern agriculture are identical?

Mr. Baldwin: Well, might we have the amendment read to us?

Mr. Deputy Speaker: Order. Before we proceed further to hear arguments for or against the acceptability of the motion, it might be put to the house at this time. The hon. member for Qu'Appelle (Mr. Hamilton), seconded by the hon. member for Berthier-Maskinongé-Delanaudière (Mr. Paul), for the hon. member for Nicolet-Yamaska (Mr. Vincent), moves:

That all the words after "That" be deleted and the following substituted therefor:

"this house regrets the continuing failure of the government to take effective action with regard to the pressing agricultural problems of eastern Canada".

Mr. Lambert: Mr. Speaker, although I have the greatest respect for the government house leader I must say that I find his argument somewhat tenuous. He has indicated in reading to Your Honour the citations from Beauchesne that for this motion to be out of order it must be in substantial agreement with a previous one. If we look at the motion which was put forward by my colleague from Brandon-Souris (Mr. Dinsdale) on May 4, we see that that motion called for water resource development; and all through the motion there is reference to water resources management, pollution of national waters and, the urgent necessity for conserving water resources for the benefit of national resources development in Canada. He advocated a national advisory committee on water resources, and accelerating the application of ARDA policies to the problem of national resource development.

Mr. Pickersgill: What about the subamendment?

Mr. Lambert: We did not move any subamendment.

Mr. Gregoire: I had one.

Mr. Favreau: Mr. Speaker, I referred expressly to the second paragraph at the top of page 285 of *Votes and Proceedings* and I said that the subamendment referred to there was directly related and referred to ARDA policies, and that this subamendment was defeated.

Mr. Lambert: On the other hand, Mr. Speaker, I submit that without regard to any subamendment which may have been put, whether rightly or wrongly, this present motion is dealing primarily with the pressing agricultural problems of eastern Canada. This motion has to do with dairy policy; it has to do with feed grain policy; it may have to do with cheese and cheese pricing policies; it may have to do with pasture and other matters. The question of water resources is incidental. I cannot for the life of me see how the present amendment which has been put forward by the hon. member for Qu'Appelle (Mr. Hamilton) can be deemed to be substantially in agreement—and those are the key words—with any other motion. With the greatest respect I feel that the Minister of Justice (Mr. Favreau) is really on very thin ice—

An hon. Member: He has already fallen through.

Mr. Lambert: —in arguing that this amendment is out of order; and not only is he on thin ice, but as one of my hon. friends suggests he has burst through.

Mr. Baldwin: He has gotten all wet.

Mr. Lambert: May I go further and on behalf of the hon. member for Peace River (Mr. Baldwin) say that he has gotten all wet. I do suggest, Mr. Speaker, that the amendment put forward by my hon. friend from Qu'Appelle (Mr. Hamilton) is quite within the rules of this house and may properly be put forward at this time.

Mr. Baldwin: I think my hon. friend from Edmonton West (Mr. Lambert) has more than adequately dealt with the objection that the main motion is identical in substance with the amendment moved on a previous occasion. I should like to direct attention to the question of the subamendment, also referred to by the Minister of Justice (Mr. Favreau) as it appears on page 284 of *Votes and Proceedings*. I think Your Honour was in the chair at the time the subamendment was moved by the hon. member for Lapointe (Mr. Grégoire), and I think Your Honour then entertained some doubt as to the validity of this amendment, because it did not appear to fall within the four corners of the amendment moved by the hon. member for Brandon-Souris (Mr. Dinsdale). In order to be relevant, the subamendment must be related to the main amendment as it appears on page 284. That amendment, as my hon. friend from Edmonton West has pointed out, was directed primarily to the question of water resources and water development. If one takes a close look at the subamendment, one finds that the real pith and substance of it was represented by the words "the best interests of national development". This was a motion relating to national development. Incidentally, it said, in effect, that national development would be stimulated by accelerating the use of the ARDA program. But the ARDA program was incidental; it was the means to be used in providing for national development.

There is all the difference in the world between national development promoted by the use of ARDA and the amendment moved by my hon. friend from Qu'Appelle, who has

devoted his speech and his amendment to the interests of the farmers of eastern Canada. If the subamendment moved by the hon. member for Lapointe had been restricted solely to this question, Your Honour would have been bound to rule it out of order. You did not do so because you related it to the broader issue of water resources and water conservation, and all the other matters referred to by the hon. member for Brandon-Souris.

[*Translation*]

Mr. Gilles Grégoire (Lapointe): Mr. Speaker, the subamendment I introduced a few weeks ago concerned mainly the so called ARDA legislation, while the amendment proposed today by the hon. member for Qu'Appelle (Mr. Hamilton) deals with the urgent problems of eastern farming.

Now, the government itself recognizes that ARDA and eastern farming are two different things, and that is evidenced by the fact that they appoint a minister to look after ARDA and another one, for agriculture. If two ministers are appointed, it means that those two fields are different, unless the government would be prepared to admit that one of the two ministers is useless. Then, we would admit that ARDA and eastern farming are the same thing.

That is why I submit that an amendment concerning the application of the ARDA program and another one concerning eastern farming in Canada and the application of solutions to urgent problems of eastern farming in Canada are not the same thing and are the subject matter of two completely different amendments. ARDA is concerned with certain matters and the Minister of Agriculture with certain other matters, as, for instance, the farm credit policy, which comes under agriculture but not necessarily under the ARDA program.

Now, Mr. Speaker, I think that from the government's own admission, the ARDA program and the agricultural policy, while being apparently related in certain fields, nevertheless constitute two different matters and that the amendment as moved by the hon. member for Qu'Appelle should, in my opinion, be accepted.

[*Text*]

Mr. Favreau: In order to make more precise the argument I was using a few moments ago, may I say, in reply to the hon. member—

Mr. Deputy Speaker: Order. I am wondering whether the house wishes the Minister of Justice to be allowed to speak twice to the same question. I appreciate that this is a small debate on a point of order and that perhaps the house would wish to hear the Minister of Justice again. But if I may say something at this point, let me assure the house that the mind of the Chair is pretty well made up, having heard arguments both in favour of and against the proposition put forward by the Minister of Justice. I would be prepared to give a brief ruling on the matter if the house is prepared to hear it.

Some hon. Members: Agreed.

Mr. Deputy Speaker: Objection has been taken by the Minister of Justice to the motion moved by the hon. member for Qu'Appelle on the grounds that the subject matter of the motion is substantially the same as one moved earlier. I am sure the essence of the motion made earlier in the session had reference to water resources. Certainly, there is a marked difference between a motion dealing with the natural resources of Canada and the motion just made by the hon. member for Qu'Appelle.

The Minister of Justice referred to the subamendment proposed by the hon. member for Lapointe at that time. I think I should mention, now, that when this amendment was proposed there was some difficulty in deciding whether or not it was acceptable. The special difficulty which the Chair encountered was that the motion had been moved in the English language while the subamendment was in the French. The subamendment referred, of course, to the words in the amendment, so it was almost impossible to decide at once whether the subamendment was acceptable. In any event, because it was felt that the hon. member for Lapointe should be given the benefit of the doubt, the subamendment was accepted at the time.

In my opinion the proposition then made by the hon. member for Lapointe referred specifically to government policies in connection with ARDA and, as has been suggested by some of the members who have taken part in this discussion, there is a difference between ARDA and general agricultural policies in eastern Canada. For this reason I feel the motion of the hon. member for Qu'Appelle is within the rules and should be accepted.

Mr. Arnold Peters (Timiskaming): I was very surprised to learn that the amendment today would be on agriculture, because of the auspicious beginning of the statement by the former minister of agriculture dealing with another subject. I was also surprised to learn that the subject matter of the hon. member's speech has been discussed every time the subject of agriculture has been before the house for the past two years. It was a good speech in the beginning and there was a good deal to commend it to the people. But a great deal of the information and philosophy in that

speech have now been accomplished, and I think if anyone intends to move a non-confidence motion he should do it on a much broader scale.

It also strikes me as being very odd to hear someone say he wishes to make a non-political speech and a non-partisan suggestion on the basis of a non-political scheme for the economy—a scheme for agriculturists and farmers across Canada—and then in a partisan way go ahead to move a motion of no confidence. This may fit in with the rest of the speech, and maybe it becomes an amusing matter, but I doubt this because many of us know that the concern felt for agriculture is fairly fundamental across the nation; it does not apply only to eastern agriculture. Although the problems may be more pressing in that area, there is a great similarity between the problems in eastern Canada and those that have been brought to our attention by many of those representing the western farmers.

The concern for agriculture is a continuing one, and one that warrants some consideration. One matter of concern is the operations of the committee on agriculture. Since I have had the honour of being a member of that committee, and it may be a dubious honour on many occasions, the committee has discussed several very important problems. But whether the government of Canada is Conservative or Liberal we find that there is a failure on the part of the government to relate the work done by members of parliament in the committee to actual legislation.

I should like to refer to one such committee of several years ago. We heard briefs from every farm machinery company, every farm organization and from many individuals. Certainly the work done by the committee as a whole and by individual members of the committee should be commended. It was very interesting to hear members of the committee speak about farm machinery prices and point out some of the difficulties on the basis of their own experience. They knew exactly what they were talking about. They knew how to solve the problem and could offer clear and definite suggestions to improve the situation.

But what do we do? The Minister of Agriculture (Mr. Hays) gets up and says that this is one of the most pressing problems. Pressing, my foot! If it was pressing why did he not refer it to the committee this year? What has the committee got before it now? The tobacco industry. This is also a very important field, but we spent a year discussing the subject of farm machinery. I have a cabinet full of submissions made by farm organizations, the proceedings of our investigations and studies that were prepared on our behalf. We got half way into the matter and then what happened? I do not know what happened, but certainly no government acted on the matter. All the material we gathered has just stayed in the files in the minister's office as it has in mine. If the minister wants to do anything about the matter all he needs to do is to look at his files and he will find there are quite a number of things he can do. He does not need to go to the committee again to ascertain what they are. There are many very simple things that can be done.

We should eliminate the morass of equipment available which cannot be interchanged with other equipment. Every time a new tractor is produced it probably makes obsolete all the equipment that the older tractor drew behind it. It is a very simple thing to make the hydraulic connections the same for all tractors. If necessary we can pass a law saying that they will all be of a specific size and interchangeable. It is not hard to do. The minister wants to help the farmers to save money. This would probably save my brother $1,000 a year because of the equipment he uses on his farm.

I am sure there are many members here who operate farms on a much larger scale where the saving would be much larger. The minister knows this. He has studied this problem. But what do we do about it? Every member of the house who stands up and makes a speech like that made by the hon. member for Qu'Appelle (Mr. Hamilton) is drawing a red herring, like the red flag, across the problems of agriculture. The hon. member did not really make any specific suggestion. What he was doing was drawing a vision.

I could go into all aspects of the farm machinery situation. We listened to the subject being discussed for months. From the farm machinery companies we certainly heard some of the most fantastic financial reports that have come before a committee of the house in many years. If there ever was a free wheeling, international dealing bunch of financiers it is those in the farm implement industry.

What does the minister do about the matter? Does he have to sit in his seat and say he does not understand, that he does not know anything about it? Can he honestly say that he cannot stand up in the house and make even one suggestion that will help to solve some of the problems? We do not need a committee. The problem has been discussed. It would have been nice if we could have gone to Europe and seen what some of the other countries were doing. What did the Conservative government say? They said it could not be done now, that they would have

to go back to the house and get permission. You know the old story: Put it off till tomorrow; don't worry about the bridge because we may never get there, and it will not matter whether it is up or down.

This situation has been going on for a long time. If we wanted to do something about the farm machinery problem the committee should have been continued. I have not heard the minister stand up in the house and say: Let us get the committee organized immediately. I attended the first meeting of the steering committee the other day. We all know that last year I made a real fuss about calling the committee to meet and that members of the government would not come to the meetings because they did not want the committee to meet. I do not want to have to go through that again. I can be a proper s.o.b. if I have to, but I do not want to have to be all the time. I am quite happy for somebody else to do it. But some of the responsibility falls on the minister. Every farmer in the country knows something about the problem.

There is another thing that is very simple. In the defence committee we decided that there would be standardization of nut and bolt sizes. So far as the farmers are concerned, if this were done the farmer would know he would get the right size when he sent to town for half a dozen bolts to fix his plow. They would be standardized. Now there are many different sizes being used. Many of these things will save the farmer a hundred dollars a year.

The former minister went on to talk about other problems. One he named was feed grain. What did we do about feed grain? The committee sat and received a very good education in the matter. I have learned a lot about agriculture and the wheat deal. I always said that the wheat board made the deal. The former minister said that he had made the wheat deal with China. I find out that he is wrong, too. The people who made the deal were people we did not know existed. The free wheeling grain brokers of this country were the people who made the wheat deal.

We found out quite a bit about feed grain. We got quite an education. But surely I was not elected just to be educated, Mr. Speaker. Once we have the knowledge surely we should be able to make legislative decisions on these matters. But what did we do? The minister did not even ask that the matter of feed grain be referred again to the committee so they could solve the problem of the eastern farmers in this regard. Instead, the subject of tobacco was referred to the committee. This came about because somebody introduced a very dangerous, political resolution on the tobacco problem. It was referred to the committee because otherwise it might have been voted on in the house and something might have actually had to be done about it. What a red herring that turned out to be.

I am not saying that the tobacco problem is not important. It is important, but surely we should settle one problem before we jump into something else. Let us not play around with things and use them as red herrings. Is the committee simply a rug under which to sweep everything? Are we to discuss a matter for a little while and then take up a new problem and sweep the other one under the rug? The problem of feed grain could have been solved.

I have reports from farmers in this area that are in conflict with the statements we received with regard to the grain that was being held in this area for consumption on the farms last winter. I find that in the Arnprior area the price went up $7 or $8. This should not have happened, of course, because the grain was already in storage in the great lakes area or at Prescott. The minister had made provision for the storage costs so there would be no increase in the price of grain during the year. Yet the price went up $7 or $8. My colleague says that parliament did it. Parliament can only act when the minister brings matters before us. In my opinion this is where he fails all the time. He does not bring the right things before parliament. If he would give us the opportunity to do something about these problems we would settle them in a very short time because we all know what they are.

We spent a substantial amount of money on storage charges for feed grain. Yet I am told that between Christmas and the 1st of February the price of grain in the Arnprior area went up $7 a ton. If it was the fault of the handler of the grain, whether it be a co-operative or a feed merchant, let us say so. Let us put the blame where it belongs. But if there was a failure to do what was necessary to get the grain into position where the farmer could have a continuous supply at an even cost, then let us do something about that and not blame somebody else. But at least let us know where the fault lies. The only way we could have found this out would have been to have the committee continue. I ask the minister why he did not do this? Is he afraid of it?

I have never seen such whitewashing organizations as the committees of the House of Commons. I do not see how anybody could be afraid of referring anything to them. The committees get so confused, so

deeply involved, they never do come to any decision. I have sat on many committees but I never sat on one that made a constructive or comprehensive decision. These are two of the things that were suggested. What does the agriculture committee concern itself with now? I am not talking about the beginning of the session, but now, at a time when the Prime Minister (Mr. Pearson) has said we have to pass 37 new items or we do not have any summer holiday. At this time we are being asked to sit in a committee as well, so that we can get that out of the way.

There are problems in agriculture, but we should start doing something about them. I have a particular problem in my area that concerns me very much. I refer to the matter of credit, and I have heard the minister say a great deal about credit. I am not speaking about the farmer who can get credit from a bank, but about the farmer who cannot get credit anywhere. I am speaking of the farmer who has to increase his unit in order to make an economic unit that will produce enough agricultural products to provide his family with a living, and him with enough money to repay his loan. This seems to me to be the field in which the federal government must act in extending farm credit. It is in this field that they have failed. I could say they have failed for many reasons, and one of them might be the patronage that has been involved in the legal work connected with the extension of farm credit.

I do not believe this is true. On the other hand, I do not believe it is entirely without foundation. The situation is no better with Conservative lawyers than with Liberal lawyers. Both of them have been exceptionally slow in processing applications. In northern Ontario we have snow for about six months of the year and conditions are such that you cannot do the actual evaluation of properties. If the local people hold up an application and the season in which the evaluation can be made goes by, then that evaluation is delayed sometimes a year or 18 months. This has happened many times. Few of the farmers in my area are wealthy. Their farm units are small, about 150 acres. Many of them have a substandard of living on this small income. Some farmers supplement their income by working at odd jobs on the highways or in the bush during the wintertime. They are interested in developing an economic unit that will provide for their families. When they ask the Farm Credit Corporation for a loan of $2,000 or $3,000, the corporation says the loan cannot be extended because the farmer would not have an economic unit.

These farmers are living on these units and raising families. They must consider them to be economic units. One of the great drawbacks arises from the fact that the department has been valuing land at about $25 per acre. In northern Ontario clearing the land costs about $50 an acre. If it costs $50 an acre to clear land, then I think it would be poor business if that land did not become worth $50 an acre. Then, of course, one gets into the ARDA program and the question of whether or not this land should have become agricultural land, or whether it should have been developed for something else. Perhaps if the minister were to extend credit for a shorter term on small amounts, the farmers could get started and it would be of great help to the farmers.

I do not make the suggestion that I know the answer to this problem. I may be wrong in wanting to extend small loans to farmers for a shorter period of time to enable them to buy the farm across the road for $3,000 or $5,000. However, I believe the minister is wrong in saying it is not possible to do this. The committee should meet so that we could hear the experts in this field who would be able to tell us what the situation would be if this type of credit were established on a regional basis. I know hundreds of farmers in my area who would be helped by loans of $1,000 or $2,000 if this type of credit were established to permit them to purchase additional land in the locality.

I am sure the same conditions apply in Quebec. There is a similarity between agriculture in northern Ontario and in parts of northwestern Quebec. I feel that farm credit could be extended on a regional basis with better results than are now achieved under the Farm Credit Corporation. If you do not ask for $25,000 when you make an application to the Farm Credit Corporation, they think you are nuts; you are not really in the farming business and you are not working an economic unit.

I can assure you there are many workers in Canada who would like us to permit Household Finance Corporation to make loans of $10,000 to householders. If we did this, we would only compound their problems and they would owe $10,000 instead of $2,000. This would not be a good thing. If some of the farmers in my area were to borrow $25,000, they would be putting their children under a mortgage for a lifetime. I do not believe this would be an advantageous thing. It might not be desirable, and it might not meet the needs of many of my people.

I receive many letters asking me for assistance in connection with farm credit problems. These people get a heck of a lot more assistance from the junior farm loan board in Ontario than they do from the

Farm Credit Corporation. I feel that is a disgrace because the federal government is in a position to extend credit to a greater degree than that which is extended by Ontario, where there is an age limit for the applicant.

There are many other problems in agriculture, and there are a few that the minister does not know about. There is one to which I should like to ask him to give consideration and that is the change in the cheese subsidy. He lowered the subsidy by one cent. The cheese producers, in my opinion, have done an excellent job of disposing of their own product. They seem to have been in the same position as the wheat pools, the Canadian wheat board, and yes even the minister, in connection with selling wheat. They have been able to go into the external markets and sell their products. It is gratifying to find that Canadian cheddar cheese is at a premium of 8 cents or 10 cents per pound on the English market. I think it is gratifying to the Canadian producers, and it must be gratifying also to those who are interested in agriculture products to find that last year cheese exports to Great Britain amounted to between four million and five million pounds. This has been accomplished by the farmer in co-operation with the federal government, which has granted a subsidy of four cents. I understand the minister has dropped the subsidy by one cent.

We may be confused, and certainly the minister may be, by the problem of getting rid of surplus agricultural products. He may have been confused by the fact that we are getting rid of the butter oil surplus. I say, however, that we are not getting rid of it; we have thrown it away. It is very simple to figure out the amount of storage we pay each year. At the end of a few years storage costs amount to 15 cents, and after that, when you ship it some place and sell it for 27 cents there is no money for the federal government in such a process. I do not say that we should not give it away, but let us not get confused about it and think that we have done a good job. There comes a time when I have to liquidate my car because it is not economical for me to keep it any longer. It may be the same with our butter oil. It may be that we should not hold on to it any longer, but let us not tell everybody that we made 27 cents out of it, because we did not make anything out of it.

We can upset the balance in the dairy industry very easily by playing with one particular commodity. Over the years there was a good export market for Canadian cheddar cheese, but we are all aware of the fact that we loused that market up in Great Britain and that it took a great deal of effort to get it back. The Ontario cheese producers have spent a lot of their own money in Great Britain promoting the sale of cheddar cheese, and the Ontario cheese marketing board has done an excellent job, with the co-operation of the government through the subsidy it paid. I would like the minister to stand up and justify the stopping of that one cent subsidy. That subsidy would not cost the Canadian people millions of dollars, but it does cost them $50 million to subsidize butter.

The minister has some fairly good advisers and I would like to compliment one of them, Mr. Phillips, who seems to know a great deal about the Department of Agriculture. In fact, I may say he is alone in knowing anything about it, because quite a few people in it have not been able to give information to members of the public who went to the department seeking information. I believe this official could do very well if he were promoted to a top public relations job, mainly because he is willing to find out some of the problems that exist in the department, and the solutions for them.

In my opinion the minister will have to justify the dropping of this one cent subsidy. Is it not a matter of pride to him that we can export raw milk cheese to Great Britain? Is it his desire to have a price competition take place between New Zealand and Canada, so that either the importers in England will not hold our cheese long enough to give it the seasoning it needs, or the sale to them will take place on the basis of different prices over the contract year?

One of the reasons that we have been able to sell our cheese so successfully is that we have had a contract price that applied over the year, not taking into consideration the delivery date. A subsidy of four cents has brought about this situation, and I think the minister should continue that subsidy.

My father has spent a lifetime in the dairy industry in eastern Canada and he informs me that the most complex problem existing today is that we have not been able to pool milk in Ontario, and there has been a fight taking place between the concentrated milk industry, the whole milk industry and the processed milk industry. They must have an integrated relationship between their costs of production, and unless the whole industry is organized under one marketing agency this situation will continue. The minister should know this. Surely he did not drop that one cent subsidy so that he could save the money on the whole stabilization program? If he did, then I say it is a very expensive economy and one that we should not be making.

I have not made any suggestions because I do not really think that agriculture is a subject for a vote of confidence in the government. This government has not changed anything except to drop the one cent subsidy I have been speaking about. We can drift along for the next few years without improving the situation, so long as great changes are not made, and the question of confidence rests on whether or not the government is capable of giving leadership in agriculture.

The farmer has scratched along for many years and will probably be able to carry on for a few more years. The question is whether the government is able to give the necessary leadership. To date it has not, and I believe I am fair in saying that.

The Conservatives have been able to travel on ARDA for a long time. That is a very good piece of legislation, and it may be that the government is right in separating ARDA from the Department of Agriculture. ARDA is a long range program, but in my opinion it will never solve all the agricultural problems of the farmer. It is a program designed to put agricultural land back into more profitable production than hitherto existed under marginal farming in eastern Canada. It is a long range program, and the only question is what the government is going to do about it today.

The idea of ARDA was very good. I supported it and thought it an excellent long range program, but in my area it has become a political weapon. If you vote Conservative you are apt to get your cattle placed on the community pasture, but if you don't you won't. The reason is because Ontario runs the ARDA program, not the federal government. As with many things, the federal government has given it up to the province. The federal government does not believe in strong centralized government and in a strong centralized ARDA program; it believes in decentralization.

An hon. Member: Tell it to the Tory cows.

Mr. Peters: It has become a Tory cow in my area. As a matter of fact, I recall the story of a well known merchant in my area who brought in seed potatoes and offered them to the farmers to grow for him, but it did not turn out that way because the fertilizer costs were as much as his share of the crop. Those people now want to buy cows to put them on the community pasture, and this sort of thing is taking place all the time.

I do not really think the amendment is a question of confidence in the government. I have heard the story that the minister is a slow starter. In fact I think he repeated it himself. He is a well known international auctioneer, and in this context may I say I am always amused when a drunk stands up at an auction and tries to give the auctioneer a hard time. This also sometimes happens at political meetings, but I have never known an auctioneer to be troubled by that type of person. If the minister is a slow starter I hope he will be able to come back with the answers and provide the repartee that is necessary. The question of confidence rests on whether the government is going to take early action. The minister himself has mentioned the four things with which the amendment is concerned. He has said these are the problems that face our farmers and he has personal knowledge of them. I have personal knowledge of them, too, as has every person in this house who was raised on a farm. These problems, as we all know, are farm machinery, stabilization of income, feed grains, a pasture policy, and water conservation. We each have some knowledge of these matters. The vote of confidence will be called on whether or not in the very near future the minister is prepared to bring legislation before parliament that will solve, for the farmers of Canada, some of these very important agricultural problems.

[*Translation*]

Mr. Marcel Lessard (Lake St. John): Mr. Speaker, we have again today an opportunity to discuss agriculture. This reminds me that on several occasions farmers in my riding pointed out that there were many references to agriculture made in this house, but that there were very few results.

I think that we have again an opportunity to deal with agriculture in our country more especially, since such is the subject matter of the non-confidence motion: the problem of agriculture in eastern Canada, that is in Ontario, in the province of Quebec and the maritime provinces.

I feel that we should admit, as stated by the former minister of agriculture, the hon. member for Qu'Appelle (Mr. Hamilton), that agriculture is a basic problem in Canada, since we have always been concerned with agriculture and its related problems. I feel that this is a basic problem. It must be recognized just the same that agriculture is also a basic industry and that we depend on it to a large extent.

This brings me to the main point of the discussion, namely that, in our country, agriculture seems to be the only industry in which the producer is not sure of making a profit on his product.

In general, an uneconomic industry does not survive. It disappears immediately. But this is impossible for agriculture.

How is it that, in Canada, an industry as widespread and long standing as agriculture, and established throughout the country, is uneconomic for those concerned, for the farmers themselves?

Why is it that the industry in general can set for its product a price including a profit, whereas the farmer, the man who produces and feeds the country, cannot set the price of its product, including in it the profit he is entitled to just like any other producer?

That of course raises a point which is related to farm organization as well as to numerous farm associations throughout the country, which makes it very difficult to unite them. Consequently, it is difficult also to get all the farmers to accept an agricultural policy that would enable them to control the sale of their own products in order to benefit from it themselves, and not leave the profit to middlemen who are not producers but just professionals in haggling and trade who benefit from the farm industry at the expense of the producer and the consumer.

I know that in the province of Quebec in particular the problem of agriculture is truly acute because the value of farms has been decreasing for a number of years. That situation is due to several factors, the main one being the steady increase in production costs.

Farmers had to face a period of automation, a rise in the prices of by-products and a rise in taxes. They had to face all kinds of increases. They had to adjust by themselves to a general increase in the standard of living, while at the same time, their income could not keep up with that general increase.

I believe that in view of the fact that farming in Quebec is quite special, because it was based formerly on the family farm, covering a small area, it must be recognized that the farm problem in eastern Canada, and in Quebec in particular, requires very special attention.

In the province of Quebec the farming industry is confined mainly to the butter and cheese production. The Quebec dairy industry is for the farmer the main source of income.

When, once in a while, the Minister of Agriculture (Mr. Hays) announces with great satisfaction that he has succeeded in amending regulations in the field of agriculture to make savings I wonder who has asked him to reduce the expenditures of his department. I cannot think of a single instance where an hon. member, a group or an association in Canada brought pressure to bear on the federal government for some reduction in the estimates of the Department of Agriculture.

If there is one federal department which is absolutely necessary and which requires more money, it is the Department of Agriculture.

In my opinion, it is absolutely out of proportion to spend something like $180 million on agriculture at present, whereas defence expenditures total the fantastic amount of $1,500 million.

I can certainly assure the minister that he will never have to face reprisals in the house for having authorized his department to draw larger amounts from the national treasury if these funds are used to help our farmers. I can also assure him that he will always obtain the support of all the members of this house.

Recently, he announced certain amendments to the regulations concerning cheese and butter. This leads me to raise a point which is particularly interesting for the dairy producers of Quebec, that is the quotas which apply to them. The fluid milk producer who delivers his product as such for consumption is submitted to delivery quotas. These delivery quotas do not cover his entire production and surpluses must be used for cheese production. In that case, he is not entitled to any assistance or grant because he is allowed a quota for fluid milk. In my opinion, it would be advisable to amend these regulations and to see that farmers who are selling fluid milk up to 400 or 500 pounds are granted the same rights and subsidies for milk delivered for cheese production, because at the present time, they do not receive any assistance from the government for their 300 or 400 pounds of surplus. This is completely discriminatory and unfair, since we are not helping the farmers.

The minister reduced the assistance with one hand and he increased it with the other to induce the cheese makers to produce a better quality cheese. If it is the minister's intention, through such a policy, to encourage the production of a better quality cheese, I am all for it, and I am convinced besides that all the producers and farmers in the dairy industry and in the cheese industry in particular, agree that this objective be followed so that we get a quality production which will be easier to market. In addition, even while trying to help the farmer to do better, I think that the minister has no right to deprive him from an extra income by reducing the assistance which he offers him in another field. If he wants to encourage him to do better, let him offer him more. To reduce the assistance with one hand while increasing it with the other, does not show much discernment.

I hope that the minister will strive to adapt his policy in that respect, because I think that in the months or even the days ahead, he will have to face the general outcry of the farmers' associations from the province of

Quebec who will come here in order to make their point with regard to that new policy. I became convinced of it after reading the resolutions which appeared in the newspapers in my own area—and which were carried by the farmers' associations—dealing with the effects of that new government's decision.

We want to increase farm production, we want to make farming more stable economically; but then we have to provide markets to our farmers. We want our farms to expand and to become mechanized so as to produce more. Why? We know that according to statistics, there are surpluses already.

Mr. Speaker, it is useless to urge our farmers to increase their production if we are unable at the same time to ensure markets for their products so that they might sell them at a fair price. I feel that the Minister of Agriculture, in co-operation with the minister of trade (Mr. Sharp), should strive to find markets for farmers.

I should like to suggest to the minister that he read the reports given to the papers recently by his predecessor, the hon. member for Qu'Appelle, following his trip to China where he apparently found tremendous markets for Canadian farmers.

Everybody here knew that those markets existed. We all knew that those markets existed in mainland China and that over 600 million Chinese are starving, a great number of whom are doing without the bare minimum. It is obvious that there is a market in China for the Canadian farm production.

Incidentally, I should like, at this stage, to point out to the minister that there is room for more consumers here in Canada, as there are surely Canadians who are still not getting the three meals a day to which they have a right. I suggest that the Minister of Agriculture and his colleagues should take a sympathetic interest in our farmers, especially those who are at present suffering the greatest hardships.

You are aware of the fact that the Saguenay region, where I come from, as well as the province of Quebec, is going through hard times. It has long been said that the Saguenay region was blueberry country. Well, Mr. Speaker, I regret to say that this has not been true for a number of years.

It has been the fame of the area for a long time but it is now a thing of the past, since that industry moved into the maritimes. We even have some colleagues who are amongst the most important producers. It seems that this industry is very prosperous in the maritimes. Besides, the Saguenay has everything to revive it, if markets can be secured. There certainly is a great potential for the production of blueberries, and that potential still exists, but unfortunately, the markets have completely disappeared because the Canadian government has shown no interest whatsoever in that production and has never tried to secure markets. Some swindlers got busy securing control on the American markets so as to force producers, let alone pickers, as they are called in the industry, to accept absurdly low prices for their work. So it is that today, the Saguenay people are in no way interested in picking blueberries, because they know that they cannot secure a reasonable price.

I know that the hon. member for Roberval (Mr. Gauthier), who represents the area, supports my remarks, because in both our counties, ARDA, which is worth-while legislation, has made every effort to revive the production of blueberries and promote their sale.

Moreover, again last week, people desirous to work in the blueberry fields were telling me: All this is very well, but where are we going to sell our production, since we have no assurance that it will be better and that we will be able to obtain a reasonable price. That is the question.

What is the purpose of producing if there are no consumers, no one who can purchase the goods at a reasonable price? That is the point and it is only when we are assured of a reasonable market price that we will be able to solve the problem of production because as such production does not constitute a problem. Advise producers to produce and forget the rest. There can be no doubt about that considering the present competition between farmers.

If the Minister of Agriculture wants millions of pounds of cheese and millions of bags of potatoes, he is going to get them. He asked western farmers to produce wheat. He told them: "Produce wheat and we shall sell it." Now that they have done so he does not dare sing the same tune. Why? Obviously because western farmers did produce a little too much and, at one time, the federal government was stuck with a surplus.

Now, if the Minister of Agriculture were to ask Quebec farmers to produce butter, cheese or any other commodity, he would be sure of getting enough to flood the world markets because the soil is good and our farmers are willing to work. In fact, they are willing to work providing they get reasonable compensation for their efforts, just like industrial workers in general and any other kind of workers.

Mr. Speaker, even though dairy production is very important in the Saguenay area, for some time now our farmers have turned to other fields of endeavour because they were asked to cut down dairy production.

Many launched out into the poultry industry others into the broiler industry and others still took up pig breeding. But all of them are facing exactly the same problem, the same difficulty, that is the price of the product ready for market.

On the other hand, the problem is closely related to the price of feed grains.

Mr. Speaker, I wish to point out that in the Saguenay region we are, of course, somewhat far from other big feed grain centres, but I believe we are still entitled to some consideration. For the two years we have been in this house, under both the previous and present administration, we have advocated a feed grain policy which would permit eastern farmers, those of Quebec province and especially those of the Saguenay region, to compete on the larger markets to sell their finished products.

However, this policy seems to be very complex, as, after two years' study, we recently learned from the very mouth of the Minister of Agriculture that it would only be announced next fall.

Yet, for many years the farmers have approached the federal authorities and submitted many a brief suggesting solutions for the various farm problems in eastern Canada. In fact, I am certain that the departmental files are full of briefs submitted to the minister and to his predecessor. There certainly would be some solutions for those problems in those briefs. Moreover, those briefs were submitted by people in the agricultural field, and I think that the minister should not ask the opinion of Tom, Dick and Harry but rather that of those people who—from a technical point of view, I would say—are in the best position to solve their own problems by submitting appropriate suggestions and recommendations.

They want legislation that will solve those problems and it is such legislation they want us to pass in this house; it seems that it is the very legislation which the present government, as well as the former one, wants to delay, for reasons they do not want to tell us and for which they are unwilling to give favourable consideration to the claims of the eastern farm organizations.

Their main claim at this time concerns the establishment of a feed grain agency for the east. This claim seems to me hardly excessive. Indeed, the western farmers asked for a grain board and obtained it. Since then, their problems seem to have been partially settled and their economic situation has much improved. I am not trying to say they are millionaires but their financial position has definitely improved.

The eastern farmers want a feed grain agency in order to avoid being exploited—and I mean exploited—by the middle men, those shrewd businessmen, the professional farmers of St. James street who have never seen a cow in their whole life, who have never even set foot in a field and who, in their big well-designed offices, set the prices of goods going from the producer to the consumer.

They are the people we should expose. They have often and again been denounced, but nothing has been done up to now to correct this situation. Why? Because those millionaires, of course, manage to be heard when they lobby the government with lawyers at their side. They are stronger than the farmers.

An hon. Member: That is right.

Mr. Lessard (Lake St. John): Mr. Speaker, those people have a very strong voice. As a matter of fact, it was even reported in certain newspapers that there was a lobby in Ottawa, that the members of parliament were the last to be consulted in this matter and that, whenever those people came to see us, it was because all other means had failed.

Mr. Speaker, lobbying has been practised ever since parliament began, and those who practice it are unquestionably stronger than the small farmers from the back concessions. Moreover, we found out last year what millionaires and brokers could do and how influential they were. As a matter of fact, one of them succeeded after a very short visit in having an act amended. Yet no matter how many visits our farmers make they do not succeed in bringing about much change.

We saw the result of lobbying last year; we still see it today. It is regrettable that our governments cannot, once and for all, decide to treat all Canadians on an equal footing. They yield, they give way to pressures if they are strong enough; but when they are not, then they protect their own friends.

Last year, the Saguenay district farmers had to borrow over $2 million from the Farm Credit Corporation, the money being used to mechanize their farms following the government's advice to expand their farms in order to make them more profitable and increase production. But later the government told them to cut down dairy production because there were surpluses. We must admit that it is somewhat illogical as far as policy is concerned.

Mr. Speaker, the farmer who works from 12 to 18 hours a day, receives very little for his labour, if we consider the salary paid the industrial worker who has little skill compared to the farmer.

The farmer has to be a jack-of-all-trades. He must be something of a lawyer, to protect himself adequately. He must be a specialist

in all fields, and yet he does not get much in return for all those skills and knowledge. Our lives depend on him; he puts on our table the food we eat. And what consideration have we got for him? I wonder. If the farmer should decide tomorrow to stop producing, I think we would all be in a fine fix.

At any rate the problem has reached the point where, at a meeting in the Saguenay area, the farmers unanimously passed a resolution in which they threatened not to pay their taxes. Things have come to that.

Out of 168 farmers present at a meeting, 168 decided they would no longer pay their municipal and school taxes. We have reached that point, and the situation is serious.

The farmer has to pay a great deal more in taxes than the ordinary citizen. It should not be so, since his production brings him less income. But such is the situation that he has to bear the brunt of our whole system and foot the bill for all the blunders that can be made.

The Department of Agriculture is in the process of being subdivided. Some jurisdiction has been given to the Minister of Forestry (Mr. Sauvé), in whom I have confidence, because he is from Quebec. Not that I want to hold against the present Minister of Agriculture the fact that he is not from eastern Canada, but being an easterner himself, the Minister of Forestry is in a better position to understand the situation.

Now, that leads me to wonder, since we have had western ministers of agriculture who were interested in grains and who worked out the grain problem, and since the present Minister of Agriculture, who is interested in livestock, seems to be working out the livestock problems, whether we will soon have a minister of agriculture directly and personally involved in the dairy industry, because then he would probably know what he is talking about and might co-operate in order to settle the problems in that field.

Since we had men experienced in other areas, I hope that before long, we will have a minister with some experience in the dairy industry.

The present Liberal government has been in power for 13 months. Of course, if we look at its record in farming, we do not find, unfortunately, a long list of achievements. I wish I could find one because destructive criticism is not interesting. I should like to make constructive and objective criticism in the light of achievement in agriculture. Unfortunately, in 13 months, even if we recognize that they had other fish to fry, that one was not done. It may be that the Liberal party had no special training in farming matters; they were undoubtedly better qualified in industry and public relations, but I believe and I hope that with the advent of a new minister in that field, in whom I have confidence because I think he has imagination, something will be undertaken. Will he succeed? I do not know, but I think he will undertake something and I have confidence because he is a man of decision.

I hope he will get his information from the proper place and that after obtaining it he will take action so that our eastern farmers can be equal partners in Canada with equal opportunities in their profession.

In conclusion, Mr. Speaker, I should like to point out that at the present time, ARDA is the only legislation to which attention is being paid, the only legislation that seems to be accepted as a solution. It is the only one that is applied in eastern Canada at this time and incidentally, I wish to commend the hon. member for Qu'Appelle (Mr. Hamilton) who was minister of agriculture when that legislation was passed. The Liberal government are enforcing it with even more energy and I wish to congratulate them, because they are trying to improve it. I think that that legislation should not be the only one to deal with the problem. There are other measures which have to be passed if we want eastern farmers to be assured of a fair return for their daily work, as in the case of other sectors of the Canadian industry.

Mr. C. A. Gauthier (Roberval): Mr. Speaker, I am happy to take the floor again on the matter of agriculture; I have already discussed the subject several times in the house and I do not know whether my remarks will have the same effect, because when one speaks of agriculture—especially along the lines of this amendment concerning agriculture in the east—one gets the impression that he is talking to a brick wall.

When one knows all the needs of the province of Quebec, I can assure you that when one speaks in the house or has correspondence with some departments, one gets the impression that for some people, eastern agriculture is not much indeed in the Canadian economy.

I listened to the hon. member for Qu'Appelle (Mr. Hamilton) while he was dealing with agriculture and I pictured him with the new Canadian flag in his hand, because he first spoke of our national flag. I congratulate him because he admitted most sincerely in this house that he was in favour of a distinctive flag. I congratulate also all those who support this project, of the English as well as the French element. I somewhat blame those who look too far behind and completely forget to look ahead. I feel

that the flag, whatever its design, for I know it will be selected by competent men, and that is why we voted for a distinctive flag, will be the beginning of the new confederation in the union of both elements of this nation.

We always had and always will have reactionaries, but the French element is the one which always moderated its pretentions and sacrificed its own personality to try and make a success of the great Canadian cause.

We wish that the English refractory element, which is still against this project, would think a little more of the nation. It wants it to be great, but in its own way. As for us, we want the nation to be as it ought to be: great, unique, and it must have a distinctive emblem. I believe that we will have this distinctive emblem in a few days—at least I wholeheartedly wish it—and I hope that the discussion on this matter will not last forever and kill such a fine project.

Mr. Speaker, I do not think that the hon. member for Qu'Appelle wanted to suggest that this question was a smokescreen behind which the government endeavoured to hide its shortcomings. In my opinion, each party had its failures, its strong points and weak points, when it was in office. It is a matter of getting rid of the bad, salvaging the little good there is and trying to do better.

In my opinion, that is a rather strong attack against an initiative towards unity which should gain the confidence of all members of the house.

We point out readily the good there was: when they were in office, the Conservatives did a lot for agriculture, especially the bill to set up a department of agriculture for eastern Canada, and ARDA. We are grateful to them and we appreciate their work. But, after passing such legislation they announced that the 25 cents premium per hundredweight of milk was to be abolished. We, from Quebec, had to swallow that much more. That measure was not good for Quebec, the farmers protested and sent telegram after telegram; they changed nothing and we had to accept that.

Now, the Liberals are in power and they also have their good and bad points. They started by killing the bill to set up an eastern department of agriculture which is essential to Quebec, and I think that the province of Quebec will never get over that.

Now, they gave us a semblance of a department of forestry. They probably compare agriculture in Quebec to a wide forest, since they transferred this minister into forestry; let us hope he may produce something for Quebec.

I am one of those who firmly believes that a single thing will save Quebec: the enactment by this parliament of a piece of legislation to give Quebec a department which will directly control agriculture in that province. I discussed the matter on several occasions and I mentioned it a few moments ago; those who are acquainted with Quebec know very well that today a minister coming from the west, a minister who thinks and dreams only about wheat, cannot understand the province of Quebec. It is impossible. Let us not expect the impossible. For him it is impossible to try to understand the province of Quebec and its family farming. They say that Quebec should be modernized and its lands should be expanded.

There is one thing I do not understand: it is that 100 or 150 years ago, most of our farmers came to settle on these lands because they were rich lands, real agricultural lands. At that time the west was never mentioned. All those farmers came to establish themselves especially in the Lake St. John and the Quebec areas, saying they were settling down in the granary of agriculture.

Today, all of a sudden, that granary is being converted into a desert, according to the idea or the semblance of idea which the ministers have conceived about it in the course of the last 50 years. I wonder why those ministers have not come to see what was going on in the province of Quebec in that respect.

Besides, I notice something else. If, here in this house, the impression prevails that the Quebec lands are poor, it is perhaps due to the fact that for 50 years, there was no minister of agriculture who would go and investigate for himself the farming situation in the province of Quebec. For 50 years, parliament took pleasure in choosing ministers from the west. I bear no grudge against my colleagues. They did right, they had a majority.

But today, if everybody, if all members of the house seem willing to solve this problem—we feel they truly want to rehabilitate the province of Quebec—then let us do something, let us create an efficient weapon designed to help solve the farming problem in Quebec. I feel that the only efficient weapon is to set up for eastern Canada a department that will look after forests and mines and also land and farming.

As a matter of act, what is lacking in our province? First of all, drainage. Hundreds of millions of dollars were spent to drain the land in the prairie provinces. I have not yet seen a single cent allocated for that purpose in the province of Quebec, and yet the citizens of Quebec know how much their province, especially the land in the Lake St. John and Saguenay areas, is in need of drainage.

We might get a few thousand dollars for drainage in 1965, according to a statement made by Quebec's minister of agriculture. I wrote to him recently, and about two weeks ago I received the particulars of a drainage project. Though ARDA has been in force for some time, we shall only start drainage projects in 1965, whereas the western provinces have already received more than $300 million to that end. Is that fair?

It might perhaps be said that the province of Quebec is lagging behind. Now Quebec is not hanging back in any way. But Quebec lacked, here in this federal parliament, the proper spokesmen to interpret and study conditions there. That is the only reason.

If we had had some responsible men in the Department of Agriculture, who had been familiar with conditions in the province of Quebec, I assure you that, they would, before now, have implemented projects satisfactory to the farmers, which at the same time would have very rapidly improved the yield of their land in a proportion of 30 to 40 per cent.

Today, we have the ARDA legislation my fellow member from Lake St. John (Mr. Lessard), mentioned a short while ago. This legislation applies in the Lake St. John district in only two fields at this time: reforestation and blueberry growing. Broken and fully reclaimed land is taken and re-seeded to produce trees. After having laboured hard to reclaim this land from the forest it is now given back to what is now called tree farming.

As to the second project: blueberry crops. Everybody knows the Lake St. John blueberries. According to outsiders—of course when we live in this berry paradise we are unable to realize it—they are a real manna from heaven. I am saying that about 15 years ago it was a gold mine, because within a month and a half or two months, the people of Roberval riding could make $2, $3 and even $4 million.

The most interesting part of it was that such amounts were not taxable. I think that income tax inspectors were too lazy to visit the blueberries producers, and consequently that was clear profit.

On each dollar of revenue, one has today to pay 40 cents income tax, but just think that $1 is worth $1.40 for the blueberry picker, as blueberries are not taxable.

That is why I say that this industry is a real gold mine, because it is safe from any government income tax collector. Moreover, blueberries are probably picked at a certain hour of the day when tax inspectors are still in bed, and they do not have time to go to the blueberry patch.

At any rate, the blueberry program that we have today will surely do some good. But, as my colleague from Lake St. John pointed out earlier, the problem is to find a market. You may pick berries in 10, 12 or 15 fields of my constituency, if you cannot sell them, as I expect, the whole thing will be useless.

I discussed that problem with the minister of agriculture of Quebec and the answer he gave me was that the market would come later. But if the market comes two years after the first crop, because the first crop will be harvested this summer, I see no organization set up for the harvesting of blueberries because today, even if we had no blueberry field, Lake St. John is a region where blueberries grow wild.

If we had the market we had ten years ago; but alas, it was taken over. Taken over by whom? By the big financial interests, as they take over all the markets at all levels of our economy.

Ten or 15 years ago, we sold blueberries around $6.30 per 30 pounds, while last year, we had to sell 30 pounds of blueberries for the ridiculous price of $1.75.

And whose work is that? The work of those who have never picked a blueberry, who are resting comfortably in their easy-chairs in the big cities and who have succeeded in removing all competition. Ten or 15 years ago, we had 15, 20 or 25 buyers, whereas today there is only one who sets his own price. That reminds me of those Negroes the Americans were paying two or three cents a day to carry elephant tusks on their backs.

Blueberry pickers are paid ridiculous prices, with the result that 15 per cent of those who are able to go and pick blueberries no longer wish to do so. This is simply ridiculous.

I heard earlier the hon. member for Lake St. John (Mr. Lessard) say that at one time it had been a blueberry paradise. Who caused that paradise to disappear? It is the financiers who took control of the market and paid starvation wages.

Last summer, because I was under the impression that the price of blueberries had fallen on the international market, I asked someone in the blueberry business in Montreal whether the price of blueberries was higher or lower than it was ten years ago. He told me: "The price is exactly double what it was ten years ago." Blueberries are selling at twice the price they were selling ten years ago, whereas today our blueberry pickers are paid ridiculous wages for a day's work that starts at seven o'clock in the morning and ends at ten or eleven o'clock, and even at midnight.

However, many policies, such as that advocated by ARDA, can be put into practice;

if there is no marketing policies, we will experience the same consequences and our plight will be the same as in other fields.

I remember that some 20 or 25 years ago, we used to say that we were in a position to turn out large quantities of farm products and we can still say so; the only trouble is the lack of outlets. And the government who is supposed to play the part of co-ordinator should assist farmers in marketing their products.

It is a known fact that the government is in a position to do as it pleases. When the Minister of Trade and Commerce gave his attention to the finding of markets for the western wheat, he succeeded, so I ask him today to try just as hard and not only half as hard as he did to dispose of the western wheat, with regard to the eastern products because we grow there a greater variety of products than in the west. It is the responsibility of the Minister of Agriculture, with the assistance of the Minister of Trade and Commerce, to find markets for our dairy products, such as butter, cheese, potatoes, vegetables, apples, maple syrup and so on. Let them together find markets and our producers will not be reluctant to produce.

Once again, if depression as indicated by the hon. member for Qu'Appelle, seems definitely settled in Quebec, the fault is not with the producers, but with the governments who did not support the producers' efforts to ensure reasonable cost prices and adequate markets for them. That is the reason, Mr. Speaker.

Let us cease to harass the farmer and to weigh him down with all the capital sins. Let us take our responsibilities. Let the Minister of Agriculture take his responsibilities, since he has been appointed by the government to look after agriculture throughout Canada.

Agriculture is not limited to the western provinces, it also covers eastern Canada and requests of eastern farmers must be granted.

An hon. Member: We are not deaf.

Mr. Gauthier: An hon. member says that he is not deaf, but I must say that one has the impression of speaking to a group of deaf people when one is speaking here. That is why, very often, we must speak loudly. Even at that, it will not be sufficient, since I am sure nothing concrete will result from my speech. At least, the house will be aware of our needs and I will have done my duty.

Let us stop saying that farmland is poor and no longer productive in Quebec. Our farms are just as good as they were 30 years ago. Financial interests have taken them over and have robbed our farmers of the fruits of their labour.

Farm equipment was selling for four times more than what it was worth. Just like the farmers in other parts of the country, the Quebec farmer had to modernize his farm, but had to put up with those unreasonable demands, because the banks would not make loans to farmers on easier terms at a reasonable rate of interest. Furthermore, the banks even ceased completely granting credit to our farmers who, therefore, had to go to finance companies and borrow at a rate of 17, 18 and even 30 per cent interest, which the government was tolerating. That is what ruined the farmers and, Mr. Speaker, I know what I am talking about because I lived through it.

And if we needed a machine that was worth $100, we began by paying $400; with the interest, it cost us $600. That is the work of finance in agriculture in the province of Quebec.

On the other hand, I know that western farmers may have certain difficulties about prices, but they are less serious, because all members of the cabinet and the minister are working for them, including the Minister of Trade and Commerce (Mr. Sharp) who is trying to sell their commodities and get reasonable prices for them.

Mr. Speaker, may I call it six o'clock?

[*Text*]

BUSINESS OF THE HOUSE

Mr. Deputy Speaker: It is my duty, pursuant to provisional standing order 39A, to inform the house that the questions to be raised at ten o'clock this day are as follows: (1) the hon. member for Joliette-L'Assomption-Montcalm:

[*Translation*]

Alleged discrimination in the military college at Kingston.

[*Text*]

(2) the hon. member for Danforth: loss of revenue from newspapers and periodicals; (3) the hon. member for Saint John-Albert: transfer of manufacturing firm to Montreal.

It being six o'clock I do now leave the chair.

At six o'clock the house took recess.

AFTER RECESS

The house resumed at 8 p.m.

SUPPLY

The house resumed consideration of the motion of Mr. Gordon for committee of supply, and the amendment thereto of Mr. Hamilton.

LACK OF ACTION TO ASSIST EASTERN AGRICULTURE

[*Translation*]

Mr. Gauthier: Mr. Speaker, as I was saying when we adjourned at six o'clock, the present agricultural stagnation in the province of Quebec results from lack of markets and a lack of initiative on the part of the government in order to support the efforts of our producers, who are ready to produce 25 per cent more provided their products sell at profitable prices.

I concluded by denouncing the invasion of our Quebec farms by financiers. In fact, the farmers could not borrow from the banks at reasonable rates, the amounts necessary to purchase modern equipment, and they had to sacrifice everything to financial interests so as to survive modernism. Rates as high as 20, 24 and even 30 per cent were being claimed; during that time our governments were asleep. If, by any chance, somebody woke up, it was to tell our farmers to stop buying farming equipment.

Today we have farm credit. Thanks to this farm credit, our farmers may perhaps produce more, but nevertheless profitable markets are necessary. I hope the government will understand in time—

An hon. Member: We have also Social Credit.

Mr. Gauthier: Somebody on the other side says that, in addition to farm credit, we also have Social Credit. I hope that one day farm credit will fall under the control of Social Credit, and then we shall see our farmers prosperous.

At present, farm credit helps only a very small number of farmers, because with politics and patronage here like everywhere else, I may say that the future of agriculture soon takes second place, and the old greedy man quickly comes to the surface.

It is also through government action in co-operation with farmers, and not through socialization, but by supporting the individual efforts of each and everyone, thanks to private enterprise, that Quebec will be able to survive from the economic standpoint.

For instance, let our co-operatives deal directly with western producers. Let our eastern farmers pay for feed grain the same price this government sells it to red China. In brief, let us do without the financiers and help, by a protective action, eastern farmers to deal with those of the west. Let us have a price policy for eastern products. Besides, that is precisely what gave the west its high agricultural level. Indeed, the government helped western farmers by guaranteeing them such really economic prices which make impossible financier competition such as we have in Quebec.

When our farmers succeed in producing something, there is a rush of financiers to our farmers every fall. At this time, we have no organization which could act in co-operation with the government in order to ensure really economic prices for our farmers.

Let us set up this policy in Quebec. Let us protect farm prices and establish markets for the merchandising of their crops.

As I said, we always take example on western Canada because, especially during the last 30 years, the government has spent huge sums of money to help western producers and I say that it was a good thing. But what we did wrong was to forget the province of Quebec completely. We are not asking today to multiply the joint programs which, although they were very well received in the western provinces, are nevertheless completely contrary to the ideal of the Quebec farmer.

Special legislation should be introduced for the province of Quebec, since special legislation was enacted to help the western provinces; give Quebec an even break and help the Quebec farmer with legislation to his stature.

That is what we are asking. We are not asking for more than the other provinces have received. We are simply asking to be treated as they were. Legislation favourable to the province of Quebec should be introduced, legislation from which our farmers will benefit, just like western provinces have benefited from legislation made for them. We are asking for action based on the views and the co-operation of all our local and provincial farm organizations.

I hope that this time we are not talking to deaf ears, as in past years, and that the Minister of Agriculture (Mr. Hays) will decide some day, which is yet to come, to glance towards the province of Quebec and show, at least in this parliament, that he is really the Minister of Agriculture for the whole of Canada.

Mr. L. J. Pigeon (Joliette-L'Assomption-Montcalm): Mr. Speaker—

[*Text*]

Mr. John Mullally (Kings): Mr. Speaker, I welcome this opportunity to participate in a discussion of the problems of eastern agriculture. We found very interesting the remarks made this afternoon by the former minister of agriculture, the hon. member for Qu'Appelle (Mr. Hamilton). It did seem a little hypocritical to those of us who sit on this side of

the house when the hon. member attached so much criticism and blame to the government and to the minister for failing to cure the ills of eastern agriculture in one year when his government was unable to do anything about it in a period of six years. I am not minimizing the problems of agriculture in eastern Canada. They are many and their roots are quite deep, as are any solutions which may be offered to solve those problems.

From listening to the hon. member this afternoon it was difficult to tell whether he was going to move a motion of criticism of this government or of the dominion bureau of statistics. On some occasions he was telling us that the farmers should pay attention to certain sets of figures which have been provided, and in the next breath he was telling us we should disregard the figures which have been provided. If the hon. member for Qu'Appelle represented an eastern agricultural riding as I do he would not need statistics to indicate to this house or to anybody else that there are serious problems facing the farmers in eastern Canada.

Mr. Loney: Then why don't you do something about them?

Mr. Mullally: If the hon. member will give us an opportunity we will certainly do something about them.

I have spoken on two occasions, Mr. Speaker, since coming to this house about eastern agriculture and I have not spared the government that criticism which I thought it merited and deserved. But at the same time I think it is most unusual for a former minister of agriculture—and this is the second occasion on which he has done so—to stand up in this house and move a motion of censure against this government for a situation which his government failed to correct in the six years they were in office.

Besides supplying long lists of statistics to back up his argument, which I am not disputing, the former minister took considerable time to tell the members on this side of the house that we should not go into or review the past. I do not intend to go back into the past and talk about the record of the previous government because I think that is well known; the very statistics which the former minister presented both on this occasion and on a former occasion indicate the complete failure of the previous government to give any assistance to the farmers in eastern Canada. The income statistics which he mentioned and which he put on the record on the occasion when the question was debated last fall, on October 14, clearly indicate that this is not a problem which has arisen within the last year. The minister admitted very clearly that it has existed in eastern Canada for several years, and the statistics he quoted also indicate very clearly that his government failed, and failed miserably, to do anything about it.

I said a moment ago that the former minister cautioned us not to review the past, and I will certainly follow that advice. It is never our intention to be critical of the past, and I think hon. members on this side are to be commended for the decision which they have taken not to go into the past. We do not want to thresh old straw; we want to get on with something more concrete and talk about what this government has done for the eastern farmers and what it plans to do if given the opportunity. I think the members of the opposition have an excellent opportunity to show their good will to and their concern for the farmers of eastern Canada by co-operating with the government and letting us get on with the legislation which is on the order paper, as well as other legislation which the minister wants to bring before the house to benefit the farmers in eastern Canada.

Mr. Ricard: Bring it in then.

Mr. Mullally: We will certainly bring it in. There is already on the order paper a bill to improve farm credit for farmers everywhere in Canada. There is also other legislation, but there is not much point in cluttering up the order paper with more until we have disposed of what is already on it. I know that members in all parts of the house—I am not being critical of the members of the opposition—are concerned at the plight of the farmers in eastern Canada, and I am sure they will co-operate with the government in getting this legislation enacted so that those farmers can stand to benefit by it.

Mr. Smallwood: We are waiting for this legislation.

Mr. Mullally: I said there was no easy solution to the problem, Mr. Speaker. It is over one year since I came to this house, and during this past year I have thought long and deeply about this problem. I am convinced there is no easy solution. It is going to take legislation. It is going to take study, research and education. It is going to take hard work on the part of everybody to find a solution to the problems affecting the farmers in eastern Canada. But I am convinced that the Minister of Agriculture (Mr. Hays) and the Minister of Forestry (Mr. Sauvé), who will soon assume the portfolio of rural development, are doing a very excellent job and are doing their best to assist the farmers of eastern Canada, and indeed of all Canada. It is impossible in one year—

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

Mr. Mullally: —to solve completely these problems—

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

Mr. Deputy Speaker: Order. The hon. member for Kings (Mr. Mullally) has the floor.

Mr. Smallwood: I was asking him whether he would permit a question.

Mr. Deputy Speaker: The hon. member is entitled to make his speech without interruption.

Mr. Mullally: Mr. Speaker, I will certainly entertain a question.

Mr. Smallwood: You made the remark that you had brought down so much for agriculture. What have you done for agriculture?

Mr. Mullally: Mr. Speaker, I welcome the question and I will mention two things which we have done. Other speakers from this party will expand and indicate other measures which have been enacted for the benefit of the farmers in eastern Canada. I did not open my remarks, nor do I intend to continue them, in a critical vein and I think my observations so far have been in order. I do not intend to be critical in what I say and I hope I did not convey that impression. I think that what I have said is factual. The statistics which the former minister brought before the house today indicate there is a serious situation which has not been remedied for the past several years.

I was saying, Mr. Speaker, that I am convinced the Minister of Agriculture and the Minister of Forestry are doing an excellent job. I was at the annual meeting of the federation of agriculture at Charlottetown earlier this year, at which the Minister of Agriculture was guest speaker. The reception he received and the complimentary remarks which I have heard from all parts of my province since that time indicate that the farmers of eastern Canada are convinced that the minister is doing everything he can to improve their situation and to better their lot. More recently the Minister of Forestry, who is now responsible for the ARDA program, visited in my province, as he did in all parts of the Atlantic provinces. He received a very warm welcome. Since that time, the premier of my province has commented very favourably on the new Minister of Forestry (Mr. Sauvé) and has expressed his belief that much will be done in pursuance of the ARDA program.

I mentioned a few moments ago in reply to a question that I would attempt to deal with two long range actions which the government has taken so far in the interests of eastern farmers. These are the decision to create a new cabinet portfolio of forestry and rural development, and the steps taken with regard to feed grain. Attempts have been made in some quarters to suggest that the action taken in creating a new ministry of forestry has represented a move to downgrade the federal Department of Agriculture. In fact, it has made the Department of Agriculture more important than ever. The representation of agriculture both in the cabinet and in the government as a whole has been widened by this action. It reflects the fact that our government is not a one-man operation; it does not think any one man, whether he is the Prime Minister or the Minister of Agriculture necessarily has all the answers. It also reflects the harmony which exists in our government—a seasoned harmony of reasonably minded men searching to organize government so as to reach the best possible solutions to the problems affecting agriculture in all of Canada. This government is not afraid to co-operate. It does not suffer from any delusions of omnipotence. Now, instead of a single minister trying to run everything, we have three ministers involved closely in the affairs of agriculture. It is obvious, it seems to me, that this will ensure that all aspects of agriculture are given closer attention than was possible in the past. Furthermore the special cabinet committee on agriculture, which meets frequently, sees to it that all activities in this field are co-ordinated. To suggest that the portfolio of agriculture has been downgraded is altogether misleading. The answer is obvious to all who are interested in assisting the farmers in all parts of this country: The action taken by the government in this respect is one which is bound to work for the benefit of our farmers. The steps taken to ensure much closer co-ordination of farm programs are obviously designed to benefit agriculture both in the east and in the west.

As chairman of the three-minister cabinet committee, the responsibilities of the Minister of Agriculture have actually been widened. In the meantime, the new minister of forestry and rural development has to deal, in particular with two problems which are among the most urgent currently facing eastern farmers. One of these is the cost of feed grain and the other is the question of the efficient use of land. The present government has already taken steps to solve each of these problems and further action is being considered. It is well known that steps were taken last year

—last August, to be exact—to encourage stability of supply and price in eastern Canada, conditions which had not existed with respect to feed grain in years past. Although the action is well known, perhaps it is not as well understood as it might be. I propose, therefore, to deal with this question briefly.

The livestock and poultry producers in eastern Canada depend heavily on the prairie provinces for feed grains to supplement local supplies, particularly in the winter and spring of each year. Until the present government acted to alleviate the situation, two conditions relative to storage charges discouraged grain dealers from placing adequate stocks in position in the east for winter requirements. The cost of storage itself resulted in purchases being made for delivery as late as possible in the fall in order to avoid a portion of the storage charges in the east. Then, too, the cost of storage and the relationship of the fall and spring prices on the Winnipeg grain exchange discouraged dealers from buying more than the minimum expected requirements.

Probably a word of explanation would be in order at this point. In the fall, feed dealers, including co-operatives, assess their requirements for the winter and place orders with a grain merchant for delivery prior to the close of navigation. They try to assess their requirements until the date when the first grain vessels are expected to arrive in the spring. A grain broker normally buys only to fulfil orders already made. For example, he may buy barley from the wheat board at the lakehead in October for immediate shipment to Montreal. Let us suppose he pays $1.20 a bushel. He plans to replace his stocks in the spring by purchases at the May auction. If the grain broker had received orders from feed dealers in the east amounting to say, 95,000 bushels in the fall, he might decide to take an extra 5,000 bushels just in case he found a customer during the winter after the shipping season had closed. So, he knew his cost, his selling price and his profit on the 95,000 bushels; but on the other 5,000 he had to take his chance in the winter feed grain market. If he had made an error in judgment and found he could not sell those 5,000 bushels during the winter, he would have to leave the grain in an eastern storage elevator at a cost of one cent a bushel per month. This would mean his cost per bushel would rise from the original figure of $1.20 to $1.27 plus interest charges. In due course spring comes, and barley, at the May auction is still $1.20 a bushel or perhaps even a few cents less. The broker has to take a loss on his 5,000 bushel carry-over in order to sell it in competition with barley bought at the lower spring prices.

This was the situation until the present Minister of Agriculture moved, last fall, in co-operation with the wheat board and through the Minister of Trade and Commerce (Mr. Sharp) to correct it. Since the grain dealer, and ultimately, the farmer, had to assume the carrying costs from the moment the grain was bought, there had been a tendency, as I have explained, to delay winter purchases until near the close of navigation. This put pressure on both supplies and prices at that time. This pressure on prices often meant that the prices of oats and barley at the time of shipment in the late fall were higher than they would be the following spring. Add to this the cost of storing any carryover grain until the resumption of navigation, and hon. members will see why no broker wanted to get caught with more grains on his hands during the winter than he could sell. It was obviously safer for him to underestimate the demand than to overestimate it. It is also apparent that when this situation produced a shortage of feed grain in eastern position during the winter, the pressure on prices was always upward. If a feed merchant wanted to take advantage of such a situation, the situation was certainly there, tailor-made for him.

Within four months of the present government taking office two definite steps were taken to relieve the situation. First, the government decided to pay storage costs on western feed grains in licensed eastern elevators, from October 15 to April 15. This, of course, encouraged the purchase of a larger supply of grain for winter storage and reduced the chances of a shortage of feed grains developing in mid-winter or later. Instead of bringing in say 5 per cent more than had already been contracted for sale the broker would bring in from 10 to 15 per cent more. In a moment I will give figures to show that most eastern feed grain dealers did bring in substantially larger amounts last fall than in previous years.

With the government paying the storage from October 15, six weeks before the close of navigation, this also encouraged an earlier movement of grain from the lakehead to positions in eastern Canada. This, of course, relieved some of the pressure on shipping space and this usually means that grain can be shipped at somewhat lower lake rates, which is another saving that can ultimately be passed on to the farmers of eastern Canada.

Besides helping the farmers of eastern Canada this new policy encouraged larger purchases of western feed grain. Brokers

who previously relied on supplies of corn from United States to supplement their winter demands in this case stocked with feed grain from western Canada. With this new program of assistance the amount of western feed grain in eastern positions on November 27 last was 60 per cent higher than in any earlier year, and at the close of navigation it was almost 50 per cent higher. There were about 31 million bushels of feed grain in eastern elevators at the end of navigation last fall compared with 21 million bushels in the same positions the previous year. This build-up of western feed grain in eastern elevators earlier in the year helped to avoid the usually higher seasonal lake rates as well.

Along with the government's decision to pay the storage costs the Canadian wheat board decided to provide for deferred pricing on oats and barley for the first time. It agreed not to set the final price on replacement purchases until the grain to be replaced was leaving the eastern storage elevator. This did a great deal to remove the uncertainty grain brokers had previously had as to the price they would have to pay for grain in the spring compared with the cost of grain in the fall.

As the figures I gave a moment ago indicate, it was apparent last November that this policy had obviously been successful in encouraging an earlier and larger movement of western feed grain to eastern storage elevators. Furthermore, in the months since then feed grain prices have remained more stable than in any previous winter.

This afternoon the hon. member for Qu'Appelle (Mr. Hamilton) indicated that some members of his party would outline the pattern of feed grain prices in eastern Canada this past winter. While there may have been some increase in feed grain prices I think we should remember that generally prices for feed grain were probably higher this year than in previous years. I think the demand for grains generally brought about by the large sales of wheat tended to be reflected in increasing prices for grain generally, including feed grains for eastern Canada.

There are two matters which I feel stand to the credit of the government. They have been of benefit to the farmers of eastern Canada this year and we feel they will be a substantial benefit in the years to come. I mentioned a moment ago that the Minister of Forestry (Mr. Sauvé), the minister now responsible for ARDA, had recently visited eastern Canada. In fact he visited all of the provinces of eastern Canada to discuss with officials there the ARDA program as it affects each of these provinces. We are convinced that ARDA holds very excellent prospects for helping the farmers of eastern Canada and I think that the government which brought in the legislation is to be complimented for doing so. But, Mr. Speaker, no matter how good a program it is, unless it becomes operational, unless its good features are put into action, the farmers cannot benefit from it. This is why we feel that having a minister who is able to devote his well known talents, which have already been demonstrated, to a program of this kind will make ARDA a really effective program which unfortunately, and I do not say this by way of criticism, we do not feel it has been up to this time.

In the province, of which I have the honour to represent one of the constituencies, we look forward to many accomplishments through ARDA and we feel that the action of the government in placing the talented Minister of Forestry in charge of the program indicates that the government is serious and intends to take those steps which are necessary to make ARDA an effective program, an effective weapon to deal with the difficulties facing the farmers of eastern Canada.

There are many other matters that could be discussed. As I said a moment ago, there is no easy solution to the problems of agriculture either in eastern Canada or in any other part of Canada; but this is particularly true, of course, of eastern Canada. Other speakers from the government party will speak about various phases of the program and various aspects of the problems, of which there are many. At the moment I think of the need for greater expenditure on education and research. I think also of the problem of marketing. I believe this is one of the real problems facing farmers in eastern Canada. With rising costs for everything that the farmer has to buy, rising costs of services and materials, and the almost static prices which the farmer has been receiving for his agricultural products it is not hard to conclude why his income is not what we would like it to be. This is one of the real problems that we all have to face.

An hon. Member: You were going to solve it.

Mr. Mullally: We will solve it and we have already taken steps in that direction. I say again that there are many problems. I started to deal with marketing. If the farmer could receive higher prices for many of the things he produces I think many of the problems he is facing at this time would soon disappear. I think particularly of the marketing of potatoes grown in my province. If we could receive throughout the year the price we are now receiving, around $2 for a 75 pound bag, many of the problems of the farmers of that province would be taken care of.

How far a government can go in solving these problems is something on which we might all reflect for a few moments. It is all very well to criticize any government for its failure to take action to solve problems affecting any aspect of our economy. But how far should a government go? How far, indeed, can a government go in finding a solution to the very vexing problems that affect agriculture in eastern Canada? I think we can certainly go much farther than any government has done in recent years in this country. I believe it would be well to reflect for a moment on what the governments of other countries do for agriculture. For instance, we might do well to compare our expenditures on agriculture with those of other nations with similar problems. We find that in Great Britain, for example, 7.5 per cent of the the national budget is directed to agricultural assistance. In the United States, Denmark, Sweden, Norway and France the figure is 8.2 per cent while in our country it is only 3 per cent. Compared with what these other countries spend only 3 per cent of our national budget is directed to agricultural assistance. In the same line of thought it might be well to consider the situation in terms of the percentage of the total volume of agricultural production.

In Denmark, for example, an amount equivalent to 10 per cent of the total volume of agriculture production is expended by the government to assist agriculture. In the Netherlands, it is 15.5 per cent. In Great Britain, it is 25 per cent. In the United States, our neighbour to the south, it is 14.7 per cent but in Canada, it is only 8.2 per cent. Although we do spend a great deal on agriculture, in comparison with what is done in other countries it is a relatively small amount.

I have tried, Mr. Speaker, to outline some of the problems which are affecting agriculture in eastern Canada. I have indicated at least two aspects of what this government is trying to do to solve these problems. Again, I must say that this is a matter which demands and commands the attention of hon. members in all parts of the house, and not only hon. members but people everywhere. The agriculture segment of our population, the agriculture sphere of our economy, is most important to the economy generally. I think that while there is a great deal yet to be done, this government has taken active steps to help meet the situation.

As I mentioned previously, the government has indicated by way of resolution on the order paper that it intends to do something by way of assisting in farm credit as soon as parliament can find time to deal with the matter. The minister has indicated that he would like to do, and is prepared to do something to solve the very difficult problem of the high cost of machinery facing farmers everywhere in the country. These are matters upon which the government is prepared to act. There are many others which I know would receive sympathetic attention as soon as they can be dealt with effectively by this parliament. I mentioned some of them a moment ago. As I have said, I have not hesitated to speak clearly and frankly, both in this house and in discussion with the Minister of Agriculture (Mr. Hays) and the other members of the government. I do not believe I have failed to present the very difficult problems that are facing the farmers of eastern Canada, and certainly the farmers in the riding I represent.

As I mentioned previously, if the former minister of agriculture or anybody in this house wishes to travel through eastern Canada, through the maritime provinces in particular, he will not need statistics to indicate very clearly that there is a definite problem that requires the attention of governments, of farm organizations, of private agencies or any body that is able to help the farmers. I am convinced that the present Liberal government is taking very active steps to do what is best for the farmers of eastern Canada. Our program is very clear. We are moving on that program and, with the help and co-operation of members in all parts of this house, I am sure we will move along very quickly and very effectively in solving the problems of agriculture in eastern Canada, to the benefit of the farm population in that part of the country and to the benefit of this country generally.

[*Translation*]

Mr. L. J. Pigeon (Joliette-L'Assomption-Montcalm): Mr. Speaker, I do not wish to give a detailed analysis of the speech made by the previous speaker, but I feel that he has taken the government at task for having botched the policies which we had set forth when we were in power and failed to keep its promises by taking the necessary steps to help farmers. During their first 60 days in power they did nothing. Yet, they had promised to help farmers.

Mr. Speaker, eastern farming is going bankrupt, the resources of our farmers are shrinking, especially under the present Minister of Agriculture. In my opinion, the government was justified in appointing an auctioneer, a man specialized in sales, because he is there to sell off farms in eastern Canada as a result of a policy of inaction followed by the government.

The income of eastern farmers is constantly declining. As an example, I refer you to d.b.s. figures concerning the net income of Quebec farmers.

For 1963, compared with 1962, the income of Quebec farmers has fallen by $5,589,000. Two thirds of Quebec farmers have an income under $1,200. Taxes increase constantly, both in Ottawa and in Quebec. The Quebec sales tax was standardized at 6 per cent, not to mention the 11 per cent tax on building materials which affects particularly eastern farmers, as well as the whole country.

Since the minister assumed office, the operating expenses of farmers have gone up unceasingly, but their income has declined constantly.

The government does not pay any attention at all to the farmers and I may tell you, Mr. Speaker, that in addition to all the problems facing the farmers, the cost of living index reached a new high in April at 135.0, that is 0.3 higher than in March, and 2.0 higher than in April 1963. The farm associations are unhappy with this government. In *La Presse* of April 28, 1964 I read the following:

> The provincial budget does not do anything to assist the farmers.

That statement was made by Mr. Sorel, president of the Catholic farmers' union.

There was an increase in the price of milk in Montreal but it was absolutely unprofitable for the farmers, according to the Catholic farmers' union.

Land taxes increase constantly and the farmers are leaving their farms. What is the Minister of Agriculture (Mr. Hays) doing except liquidating the farms in eastern Canada, because of the present government's inaction?

Mr. Speaker, if you refer to the April 3, 1964 issue of *Le Devoir*, you will read this:

> The Catholic farmers' union blames the federal Minister of Agriculture.
>
> The general council of the Catholic farmers' union, at a meeting held at the Institut coopératif Desjardins, attacked some recent statements made by the Minister of Agriculture, Mr. Hays. It requested also that the Bankruptcy Act be amended to protect the farmer against bankruptcy by a processing plant.
>
> The Catholic farmers' union criticized a statement allegedly made recently in Winnipeg by Mr. Hays who would have expressed his formal opposition to the setting up of a feed grain board for eastern Canada and would have said that the appointment of Mr. Maurice Sauvé to the cabinet is due to pressure from some Quebec M.P.'s.

Mr. Speaker, the government is boasting at every turn concerning the appointment of Hon. Maurice Sauvé as Minister of Forestry. The appointment definitely satisfies nobody. The Canadian forestry association blamed the government for having entrusted to the Department of Forestry the responsibility of ARDA, while its minister is unable to devote all his time to forestry products. On the other hand, the administration of ARDA is the full responsibility of the provinces. The minister will have absolutely nothing to do in that field, except asking the house to vote sums of money.

I am asking the present Minister of Agriculture to assume his responsibilities, to wake up, to attend sittings of the house more often, in order to pay attention to repeated requests from the official opposition to help the farmer of the eastern provinces who is going bankrupt.

Mr. Speaker, I would be most happy to hear the Minister of Agriculture give a single policy he has adopted on behalf of Canadian farmers, including those of the eastern part of the country.

We had excellent policies. There was, for instance the milk subsidy of 25 cents per cwt. which the government abolished. When I asked the minister a question about that he replied that the subsidy has been removed in order to save $6 million.

I say to the federal Minister of Agriculture that he must not expect ARDA to save farmers within three, four or five years. The government must act immediately and stop sabotaging the agricultural policies we have set up.

Mr. Speaker, the first 60 days of the Liberal regime were days of mourning for Canadian farmers because our agricultural policies were undermined by the new government.

Mr. Speaker, it is essential that legislation be enacted on behalf of eastern farmers, so that more feed grain—that is grain from the western provinces—be consumed, and at less cost.

To give you an idea of the present situation, are you aware, Mr. Speaker, that 70 per cent of the beef consumed in the province of Quebec comes from outside the province? For veal, the proportion is 30 per cent; for lamb and mutton, 54 per cent; for pork, 23 per cent; for poultry, 28 per cent; for fowl and chicken, 21 per cent; for turkey, 47 per cent; and for eggs, 54 per cent. I think that the situation is the same in all eastern provinces.

It is therefore urgent for the government to carry out this legislation which was introduced under our administration, so as to adopt a permanent national policy for the economic distribution in the east of western feed grain surpluses.

Such a policy is imperative, it is requested by our farmers, by the agricultural associations representing them, and it is absolutely necessary as a starting point and as a basis for a well thought out and sound agricultural

production, which will enable the Canadian farmers to act in such a way that Canadian agriculture will play a more prominent part, while making farms more remunerative.

The function of agriculture in any country is to provide food at reasonable prices and in sufficient quantities, and contribute to the general economy of the country through its exports. Up to now, agriculture in Canada has well served this nation of ours, since we can say we are well fed and that our exports of agricultural products make up 27 per cent to 30 per cent of our whole production, thus adding its share to the general economy. This legislation respecting feed grain should help in reducing substantially the production cost of a part of the main productions in our country, that is animal production. It should also enable us to export larger quantities of more completely manufactured products than is exported at the present time.

I consider that the following reasons are fundamental and that they should receive the general approval of the house.

First, and this is addressed to the government: it is important to set a policy that will allow the western farmer to sell his crop at a price which will provide him with a reasonable income from his investment and his work, without imposing too heavy a burden on the population of the rest of the country. That legislation had precisely that common point among its many objectives.

Second, if western Canada needs a permanent policy concerning the sale of grain, eastern Canada, for the development of a more profitable agriculture, also needs a large part of those feed grain surpluses to feed its herds and establish a stable and economical livestock production.

Third, some assistance had been provided in the past few years for the transportation of grain from western Canada to eastern Canada. That policy was to be renewed each year. It has rendered tremendous services to our eastern farmers, while providing a profitable market of three million tons of grain, on the average, for the western farmer.

We would like to see the proposed legislation enacted as soon as possible by the government. This legislation would be more generous and better conceived, while eliminating to the greatest possible extent all speculation on grain. During the next few years, it would favour the establishment of a larger market for the feed grain surplus of the west, while promoting a more economical, permanent and larger animal production by the eastern farmer.

I look upon this policy, which we always wanted, the perfect complement to the fine program of farm management, conceived by our government some time ago, which we call ARDA. Our farms, which in eastern Canada are often marginal lands, should be able to use the grain thus distributed in a more economical way, in order to increase their production by transforming it profitably on their farm, and thus adding to the fertility of a frequently poor soil and promoting the better use of an often unemployed labour force on farms which are are often too small.

In the fourth place, the legislation, once implemented by the government, would have the effect of increasing the consumption of western grain in the east, and Canadian agriculture would, because of that very fact, increase its contribution to the over-all economy of this country.

To indicate how important it is, Mr. Speaker, that this raw material we call western grain be, as much as possible, consumed in eastern Canada—I would say that in the event it is impossible to do so, it would, of course, be preferable to export a raw material like grain, but whenever possible, it would be to the advantage of this country that this raw material be transformed on Canadian farms, and more particularly on the eastern farms which have excellent pasture for that purpose.

It is always profitable, for a country like ours, to export its raw materials under as finished a form as possible. Now, when Canada exports one ton of barley, for instance, the economy is being increased by an amount of about $50. But, on the other hand, if that same ton of barley is converted in the east into beef, for instance, it can be exported, provided, of course, that the product be finished, of good quality and economically produced on the eastern farms—this finished product can be exported in the form of pork or beef and yield in this way an amount of $125 or more, according to the price presently paid for pork or beef. It would appear that an investment of $8 to $12 million by the Canadian government to economically distribute this export grain in its raw state so that it can be exported in the form of finished product, would profit to the whole of the Canadian economy. In converting that product at home, we supply work for labour at a stage where unemployment is a problem and we add at least $75 per ton to the international monetary fund.

Fifth, this national policy of economic distribution of western grain surpluses in the east is a prime requirement to balancing eastern farming.

I offered to you only a few reasons, Mr. Speaker, to show the importance of adopting

as quickly as possible some legislation promoting consumption of feed grain in eastern Canada, in order to export as little as possible to other countries.

So as to help this export of western grain to the east, I submit that the government should enact some legislation in order:

1. To establish standard and well-balanced prices throughout the east, so as not to put at a disadvantage any user of this grain;

2. There must always be a sufficient supply available to everyone everywhere.

3. Storage facilities large enough for the needs of eastern consumers and western producers must be provided.

4. It is recognized that water transportation is the cheapest of all but, unfortunately, it is of a seasonal nature; consequently, it would be appropriate to decentralize storage facilities.

5. It is to be expected that grain consumption will increase by 50 per cent before 1975.

Yet, in 1960, it totalled 400 million bushels, 241 million of which had been produced in eastern Canada and the rest in the prairies. Generally speaking, pork and other meat producers buy 35 per cent of the feed grain they use; the other two thirds are produced on their own farms.

6. Price fluctuation in various locations and at different times obviously constitutes a great impediment to producers. It is very important and fundamental to correct such a situation.

This policy is essential to stabilize the prices of grain and assist farmers.

In addition, the hon. member who spoke before me said that the price of feed grain rises when winter or the slack season arrives.

That is one of the reasons why a national emergency policy should be developed as soon as possible in order to remedy that situation and enable eastern producers to increase their net income without affecting western farmers.

We are a little pessimistic because the government seems to be marking time and not willing to do anything. Yet, to date, the minister has received several delegations, all kinds of eastern farmers organizations, which urged him to take action before it is too late.

Canadian tobacco growers and particularly Quebec growers are concerned at the present time because of the way they are treated by the Minister of National Health and Welfare (Miss LaMarsh).

Indeed, the minister of national health allocated a tremendous amount of money to fight cancer and also published a pamphlet against the use of tobacco. To date, nothing proves that tobacco is the cause of cancer. Nothing was proven on that matter and scientists are at a variance. I wonder why the minister of national health wants to destroy that important sector of our economy, the production of cigarette tobacco.

I know that other government members also share my opinion. Tobacco growers are really concerned over the actions of the minister of national health and I am sending the Minister of Agriculture an s.o.s., asking him to make us aware of his future policy with a view to giving assistance to Canadian tobacco growers.

Tobacco sales have decreased noticeably following the bad publicity made by the minister of health, and I ask the Minister of Agriculture whether he approves the statements and the amounts of money voted by the department of health in order to fight smoking.

Growers are worried, and rightly so, and surely the Minister of Finance (Mr. Gordon) is concerned also, since in 1962 tobacco sales brought in the tidy amount of about $178 million in taxes.

That is why I ask the Minister of Agriculture whether he intends to grant special votes or subsidies in order to help tobacco growers whose production represents an important factor of the Canadian economy.

I hope that the minister will give the house details which will reassure tobacco growers.

[*Text*]

Mr. H. W. Herridge (Kootenay West): Mr. Speaker, I rise to take part in this debate because this party is seriously concerned with the question of rural life, the development of the family farm and all aspects of rural reconstruction; second, sir, because I am an old peasant farmer myself—I have lived off the land and on the land all my life and I am one of those who have always had their feet on the ground. The amendment reads:

> That all the words after "That" be deleted and the following substituted therefor:
>
> "this house regrets the continuing failure of the government to take effective action with regard to the pressing agricultural problems of eastern Canada".

Personally, Mr. Speaker, I think the amendment is in too negative terms. What are the pressing agricultural problems of eastern Canada? They are not spelled out. Surely the whole field of agriculture in eastern Canada is not suffering from particular problems. Then, does this amendment mean that the official opposition are quite satisfied with the farm circumstances that exist in western Canada? I am really disappointed, in view of the

agricultural talent that is to be found in the official opposition, that the amendment was not placed on a more constructive basis.

Before proceeding, Mr. Speaker, I do want to say that I give the former minister of agriculture full credit for his influence in securing the passage of the Farm Credit Corporation Act. It has been an excellent piece of legislation, but it is one of the pieces of legislation that, as the result of experience, needs improving. I give him full credit for the introduction of the ARDA program. The only thing that we want to see is some action in this respect in every province in Canada. And I give him full credit for publicly supporting the policy of wheat sales to China. At the time, leading members who are now on the government side were timidly trying to criticize this policy, but when they found what the public reaction was, they beat a hasty retreat.

Mr. Woolliams: Not the hon. member for Red Deer (Mr. Thompson).

Mr. Herridge: No. I give the hon. member for Red Deer full credit; he is positively opposed in principle to selling a bushel of wheat to those behind the iron curtain, and he stands fast on that position, regardless of what the farmers of his constituency think.

Mr. Patterson: A complete misrepresentation.

Mr. Herridge: I think I heard the hon. member for Fraser Valley (Mr. Patterson) chirping up; I think he said I was misrepresenting the hon. member for Red Deer. I will resume my seat, Mr. Speaker, and give the hon. member an opportunity to explain what I misrepresented.

Mr. Patterson: I would just remark, Mr. Speaker, that the hon. member for Red Deer (Mr. Thompson) rose, I believe it was on Friday, and made his position very clear on this matter, on which the hon. member for Kootenay West (Mr. Herridge) is possibly voicing his own opinions.

Mr. Herridge: Mr. Speaker, if I missed something that the hon. member for Red Deer said recently, I must say now that I may be wrong—

Mr. Smallwood: You are not wrong, Bert.

Mr. Herridge: —but the hon. member for Vancouver East (Mr. Winch) informs me that the hon. member for Red Deer reiterated his stand in principle against the sale of wheat to countries behind the iron curtain. Anyway we did get things lined up a bit.

I listened to the speech made by the hon. member for Kings (Mr. Mullally) and I want to congratulate him on making a constructive speech. He did not profess that there were no problems in agriculture. He recognized there were problems in eastern agriculture and in other sections of the country and was quite frank about it. As far as his speech is concerned, the implicit almost became the explicit when he was dealing with the need for action to improve these circumstances. However, I give him full credit for making a constructive speech under most difficult circumstances, seeing that he sits on the government side of the house.

We have a most unusual situation with respect to the two cabinet ministers whose duties are directly related to agriculture. We have the Minister of Forestry (Mr. Sauvé), who announced at the foundation meeting—I do not know whether it was the foundation meeting or the foundering meeting—of the exchange of ideas organization that he is a socialist. Mind you, he was careful to say that he was not a parlour or a beer parlour socialist; he said he was a thinking socialist. He is now a director of an organization which I shall call the fraternity for the intellectually élite of Canada. So we have one announced socialist in the cabinet whose duties are directly related to agriculture. On the other side we have the ultimate in free enterprise in Canada. The Minister of Agriculture (Mr. Hays) is the only person I have met in my experience in Canada who has publicly announced that his family believes in the principles of free enterprise after the resurrection. I must say I like the Minister of Agriculture and admire his frankness and honesty. Do you know what I have done to recognize that fact and to pay tribute to him, Mr. Speaker? I have just instructed the people on my ranch to rename our latest Hereford bull "Harry".

Mr. Danforth: Why?

Mr. Herridge: Hon. members ask me why. I will tell them why—because he is a great free enterpriser and a most successful salesman.

This is the dilemma I am in, Mr. Speaker, and I am sure many opposition members are too. I am not sure which of these policies is going to prevail, that of the socialist half of the agriculture team or that of the ultimate in free enterprise half. Therefore I am not certain in which direction this team is going. We have been quite conscious of the fact that in recent months there has been a bit of a tug of war, and I think it is around the basic philosophy of life which each of these gentlemen professes.

Going from the philosophical to the serious, shall I say, I want to say I fully support the plea put forward this afternoon by the hon. member for Timiskaming (Mr. Peters) for

greater use of the agriculture committee of this house. Agriculture is one of our great and important industries in Canada, a way of life, shall I say, and the agriculture committee is not used to the extent it should be to obtain information. I am not one who suggests that there is an overnight solution to all these problems. I have had a bit of practical experience in life and come from a family which has a record in that respect, and has lived under pioneer conditions. We were so pioneer and so deficient in livestock that as far as I have been able to discover to date my family was the only family which owned a travelling rooster, which it used to ship up and down the Arrow lakes in a crate on a steamer. I just give that illustration to indicate that I have been closely associated with pioneer conditions. I believe hon. members of this house can learn a great deal by providing every possible opportunity—

Mr. Ryan: Is this a cock and bull story?

Mr. Herridge: Mr. Speaker, the hon. member does not realize that it is a member of the opposition who is speaking.

Mr. Ryan: I guess it is only a bull story then.

Mr. Herridge: We are not using the brains and experience of persons connected with farm organizations of this country of all types. We should have a systematic exploration on, shall I say, a commodity and a regional, geographical basis of all the problems relating to farmers, which vary from province to province and make it more difficult for one set of legislation to cover all circumstances. That is a fact which we recognize, but I would urge the minister to give consideration to making greater use of our agriculture committee.

Another suggestion I want to make is for greater use of the committees of the Senate in this respect. If there is one thing the senators can do, something which I have urged for some time, it is committee work. We are not taking advantage of their opportunity to do this kind of work without, shall I say, the political atmosphere which surrounds members of this chamber on occasion when facing an election in the near future. The Senators can approach the matter in a more objective way. They are freed from those day to day concerns about re-election and so on. I have often thought that we could use committees of the Senate to study matters instead of appointing royal commissions, as we do in many cases and at great expense. There have been some good committees in the Senate. There was an excellent committee on narcotics. There was an excellent committee on manpower in Canada which made an excellent report.

Mr. Douglas: And on land use.

Mr. Herridge: Yes; my leader mentions land use and I was just coming to that. This is a committee which has sat for several years and which has heard the opinions of responsible organizations across the country, accumulating a great deal of worth-while information which has not been made use of today.

To indicate this, Mr. Speaker, I should like to quote from an editorial in the *Western Producer* of April 23, 1964:

> In 1958 the committee proposed that the federal and provincial departments of agriculture speed up their soil surveys; that a systematic land use survey should be carried out across Canada; that further studies be made of drainage, erosion and irrigation problems.

I ask, Mr. Speaker, what has been done in that regard? In that connection I would ask the Minister of Agriculture what particular interest he has taken in land use problems relating to the Columbia river treaty. The national farmers' union of Canada has been very interested in and expressed their opinions on this matter. I believe this is a subject in which the federal and provincial departments of agriculture should have cooperated, and made a most exhaustive study of the land use possibilities of the whole basin.

Mr. Patterson: On a point of order.

Mr. Herridge: I can see I have got his dander up.

Mr. Patterson: I am just wondering whether this debate is to be allowed to develop into a debate on agriculture right across Canada. I had intended to speak on agriculture, but I suddenly realized this debate is limited to eastern agriculture, and therefore I refrained. If the hon. member intends to enter upon a general discussion of agriculture I think all members of the house should have the same opportunity.

Mr. Herridge: In reply to the hon. member for Fraser Valley, let me say I am speaking about eastern agriculture but using a western agricultural situation to illustrate my point.

The national farmers' union has been most concerned about this matter. They produced a brief some 10 pages long in which they pointed out the necessity for ensuring that supplies of water on the prairies from the Columbia are available in the future.

Mr. Patterson: I wonder if we might have a ruling before the hon. member proceeds further.

Some hon. Members: Oh, oh.

Mr. Patterson: Is this debate to be allowed to develop into a discussion of agriculture on a nation-wide basis?

The Acting Speaker (Mr. Batten): It seems to me that the hon. member for Kootenay West is referring to agriculture generally, and maybe I could invite him to turn his thoughts eastward.

Mr. Herridge: I must explain that members of this party find it very difficult to divide the agriculturists of Canada into two. It is difficult to divide the philosophy behind the proper use of land and water into two parts. There are certain aspects of the problems of eastern agriculture which are common to all agriculturists in Canada and it is in that sense I am stepping over the boundary west of Winnipeg.

Anyway, they have gone into this question thoroughly, and I am wondering whether in view of the concern expressed by the national farmers union of Canada, an organization which has, of course, locals in Ontario, the minister has given serious consideration to this subject with a view to making certain that everything is done to having these resources properly surveyed, so that plans can be made for their future use.

So as not to further annoy the hon. member for Fraser Valley who is muttering behind me—

Mr. Winch: The hon. member for Fraser Valley wants to speak on eastern agriculture; don't forget that.

Mr. Herridge: As usual, he will be behind me. Now I will go on with this editorial in the *Western Producer,* because I think more use could be made of these committees.

> In 1959, the committee asked that the federal and provincial agriculture departments, together with universities and agricultural colleges, coordinate their farm research programs; that extension services should be expanded, with special attention being given to "farm management" for the alleviation of problems of the small uneconomic farm unit; that vocational and technical training programs be executed in rural areas; that authorities consider a program to give more resettlement assistance to any farmer on a small uneconomic farm wishing to move to another area of employment.

I should like the minister when he replies to inform the house what is being done to give effect to this recommendation of the Senate committee on land use which was made after listening to a good number of well presented briefs.

The article continues:

> In 1961, the committee recommended that financial aid be given to farmers on submarginal lands in appropriate areas "to encourage reforestation of presently cultivated farm lands"; that surveys be speeded up on urban expansion so as to bring about more orderly development of metropolitan areas; and that the committee sponsor special studies of rural taxation, land use for future recreational needs, river and lake pollution, and loss of good farm lands to "urban sprawl".

This is a very serious problem in eastern Canada. I presume this recommendation laid the foundation for the ARDA program, and I should also like the minister to tell the house when he replies what is being done by his department to give effect to this particular recommendation of the land use committee of the Senate.

I do not intend to pursue this editorial further. What I wish to emphasize is this: Here we have an agricultural committee of the House of Commons which is not used to the extent to which it could be used to assist agriculture in general as well as the government in power. In addition, we have a land use committee in the Senate which has been doing good work for two or three years, yet whose studies and recommendations have, on the whole, not been applied by the government of the day.

I was very glad to note recently the establishment of the agricultural economics research council of Canada. If the minister had any part in this, I give him full credit for it; I understand the organization will exist partially, at least, on federal and provincial grants. I think its objectives are very well stated. These are objectives which could very well be adopted by the agriculture committee of the House of Commons as well as by the corresponding committee in the other place. A document on this subject which I have before me contains a brief statement of the purpose and nature of each of four projects. It reads as follows:

> The first project will be a study of the relationship between Canadian agricultural policy and what is generally referred to as the farm problem. The purpose of the study is to analyse the objective of past and present farm policies and relates them to the programs which have been implemented to achieve these objectives.
>
> The second project will be an economic analysis of the feed grain freight assistance policy. The study will attempt to determine where the freight subsidies actually go.
>
> The third project is a study of the capital supply for Canadian agriculture.

This is a most necessary study.

> The fourth study is designed to study the place of agriculture in the national economy—
>
> The board also announced that all research carried out by the council will be published and made available to the public.

I would hope that members of this house can get information about the work done by this research council and that we shall have the opportunity to co-operate with these important activities both in the committee of this house and in the other place. I also suggest

that if we are to find solutions to the agricultural problems not only of eastern Canada but of the whole of Canada there must be more co-operation between federal and provincial governments. We have to secure the co-operation of the farmers organizations and more participation on the part of farmers organizations in the development of studies and the provision of information. I must say that as far as farming is concerned, very often someone who is unsung, in some backwoods district, one might say, comes forward with an idea which is eventually accepted by the majority. We should cultivate the soil of experience and knowledge which are found among the farmers of this country. I think we should make better use of the Agricultural Institute of Canada. I happen to be a charter member of that organization and I am very interested in its activities. In passing I might say to the minister that I think the salaries paid to agriculturists in Canada are very much out of line with those paid to other scientific and professional workers and they should receive some further consideration.

Then we must achieve the closest possible co-operation between people and governments. I believe in the principle of co-operation and participation. I should not say "I do": We all do in this party. This is the way in which democratic policies evolve. People like to feel they are consulted—that they are wanted—that they are part of a team. This is necessary if we are to develop an agricultural policy in this country. In addition, we must have co-operation with the press.

I want to say a few words about the agricultural press of Canada. Anyone who has been a reader of the agricultural press of Canada for over 50 years, as I have, knows that it is the most responsible section of the press in this country. I want to pay tribute to the work they have done for agriculture. I want to pay tribute to the *Family Herald* for the excellent articles it prints with respect to water resources and land use problems, its editorials concerning the Minister of Agriculture (Mr. Hays) and so on. I have enjoyed every one of them. I pay tribute also to the *Western Producer* and the press of the co-operative organizations.

This is not a press that prints only the spectacular or the thing that catches the eye. To many people I suppose this type of periodical is dull reading. For instance, a member of this house can get up and make a most constructive and well informed speech on the principles of conservation or something relating to agriculture, and you will find that most of the press is not very interested, but if one gets up in the house and abuses the minister, instead of complimenting him like I have this evening, it is headline news.

I refer also to *Country Life* published in British Columbia, and the multitude of other agricultural periodicals. I am sure if the government made a particular effort to get the co-operation of the agricultural press behind a defined policy and program they would get it without a shadow of a doubt. If we can get the co-operation I have been suggesting, and benefit from the experience and knowledge found abundantly among many people in this country, we will solve the problems of eastern agriculture and western agriculture in the near future, instead of having to repeat year after year in the house the fact that there are certain problems which remain unsolved because we have not developed the co-operation to meet them effectively. That is all I have to say, Mr. Speaker.

[*Translation*]

Mr. Jean Berger (Montmagny-L'Islet): Mr. Speaker, I wish to point out, at the outset of my remarks which I shall make as brief as possible, that I am primarily speaking in my capacity as member for a Quebec constituency which is partly rural and partly industrialized; that kind of mixture back home accounts for the fact that our farm problem is probably more acute.

This afternoon and tonight, I heard various excellent speeches on agriculture. Some I have appreciated more than others. I have also heard some quite caustic criticisms from across, and I hope that I will not commit such a mistake. I quite agree that it is the duty of the opposition to offer criticism, but when we reach a point where former governments are criticized and comparisons are made with this one and that one, it seems to me there are certain limits which should not be exceeded.

I do not necessarily need to know if the previous government, or those preceding it, should have done more or less, because I am only concerned with finding a solution to the existing farm problem. Eastern Canada is obviously in need of assistance and it is not so much a matter of recalling the saddest phases perhaps in the farm history of eastern Canada as of trying to bring a little sunshine to clouded areas. And when I say sunshine, I am using the word in its literal as well as its figurative sense.

Many topics have been discussed today, but we know that the eastern climate is in no way to be compared with the western climate, which does make a difference as far as agriculture is concerned. Even if we had the most

intelligent minister to look specifically after eastern agriculture, I do not think he could pull the strings which would give us the required weather when and where we need it. Those are factors that must be taken into consideration, but which seem to be criticized from certain sides. I am thinking, among others, of an hon. member I do not need to mention by name and who is very strong on farm matters. He should bring a few more new ideas instead of referring to the same old things, because he has run out of subjects of criticism. If he had done that at the time he held the required post—that is the only indication I shall give—perhaps we would have less to do now.

A while ago, it seems that the merits of the minister who is responsible today for the administration of ARDA were being discussed and, to a certain extent, even questioned. The so-called ARDA legislation is a program which, personally, I hold in high respect and the same goes for the people in my riding, the farmers themselves and those who go in for part-time farming or are involved in mining research of some kind.

In fact, we have been told that ARDA itself will be revised. In certain quarters, it was said that the responsible minister might not have the time to look after forestry. Be that as it may, the fact remains that in a riding such as mine and in other neighbouring counties, agriculture has just as many problems as forestry. Indeed, problems are often related in both fields. As far as I am concerned, I am quite happy that both questions should come under the same department. I am sure that the Minister of Forestry (Mr. Sauvé), who is also responsible for ARDA, will know how to handle the situation.

It is a pleasure for me to congratulate hon. members opposite for having set up ARDA, because when somebody does something worth while, I like to say it.

What is the present status of ARDA? Before coming here, I inquired several times of agronomists, but the situation is so vague that no one seems to know what benefits we derive from the program. Explanations were given today and as a television writer who is well known in the Quebec area once said: It is not over. Other explanations and instructions will be forthcoming but, what is most important, I can promise you some action, whether hon. members opposite like it or not. It will not be a vision, a castle in the air. It is not a house of cards that the new minister wishes to build; he wants something more solid and it seems to me that one cannot help admire the energetic efforts he has made and is still making so as to obtain beneficial results with his department. That is why he wants to work hard and will draw his inspiration, I am sure of that, as he has done in the past, from the speeches made on both sides of the house, at least from the speeches made in French, because it would be very hard to find something in a wasteland of ideas, and unfortunately that is the main dish we have been served too often.

I was pleased to note this afternoon that sincere and serious people in the various parties really made it their duty to express to the house their worries and those of their constituents about agriculture.

To come back to ARDA, I am happy that at this very moment, the minister responsible for the administration of that act is in Manitoba. When he comes back to the house in the next few days, he will have visited the prairie provinces, the eastern provinces, the maritime provinces and also the provinces next to British Columbia.

When he meets the premiers of those provinces and discusses farm problems with them he will see in which way we may, not so much establish ARDA, because that has been already done, but improve this legislation and make it become more helpful than we could expect until now.

At this point I associate myself with the hon. member for Bellechasse (Mr. Laverdière), who represents the riding next to mine, who said on May 7 last, as we may find on page 3046 of *Hansard*:

> For the good of the country, of confederation and of agriculture also, there must be an understanding between eastern and western Canada—

It is not only in the international field that a meeting is needed between east and west.

> One region can help the other and each can complete the other, especially in the production of feed grain which is so urgently needed for our eastern cattle.

He had previously quoted many statistics which are found on pages 3045 and 3046 of the official record. I would rather let you read them for yourself, Mr. Speaker, than repeat what has already been said. Anybody who wants to play about with statistics, handles them as a knife with two sharp edges so that he sometimes cuts himself with the wrong edge. It becomes somewhat boring in the end perpetually to be quoting figures. With regard to the problem now under discussion and which concerns all provinces, including Quebec and the maritimes, it would be needless, I think, to quote so many statistics. It is true that our farmers' income is surely not comparable to the income of western farmers. It is also true that the previous governments—I am not saying "government"—seemed to be particularly concerned

with the western farmers, who have taken a lead of which I am not envious. I can understand their enhancing their own business.

That is why today, we must unite our efforts, the efforts of conscientious members on both sides of the house who wish to bring something to eastern farmers who, I think, were too often done wrong, did not get enough assistance and got bogged down. But the fault does not necessarily rest with the federal Department of Agriculture because in every province, there is also a provincial department of agriculture which may be even more directly responsible because they are directly in the area.

In the province of Quebec, it is clear that we had many farming problems at the provincial level.

Whatever leeway there was, an effort is being made now to make it up. It is precisely through that co-operation and following that profitable visit of the present minister, responsible for the new start in ARDA, that we shall finally have more concrete solutions and take more direct steps to assist the farmers.

Help can be given in so many fields.

Another interesting feature of ARDA is that it is not exactly centred only on our farmers. As I said earlier, it can be applied to mines, forestry and many other things, fisheries, everything that can be economic, even industry.

That is why, first of all, work is now being done in my riding as well as in my province, as in the other provinces of eastern Canada, to collect data and complete basic work, for it would be useless to go ahead with the first plan that comes to mind. That was done already, not long ago, and we saw the result. It is better somewhat to delay things in order to arrive at more far reaching and reliable solutions.

Of course several hon. members here would be able to discuss farm problems more interestingly than I can, because I never had the opportunity of looking much into agricultural problems all over Canada, not even in my own riding. But we have seen by now that our farmers had to have some income besides the revenue from their land, because they had trouble in getting along, in finding a decent income enabling them to live and educate their children and so on.

I admit all that, but we must also recognize for instance, that there could have been a somewhat closer supervision, because I think that in the east, and more particularly in Quebec, as hon. members from Quebec are more interested in this matter than others, our farmers may be more inclined to quicker mechanization so that the farms might yield quicker profit, instead of going about it more gradually.

Horses have been abandoned and, today, we have to use tractors, pick-ups and station-wagons on a farm which yields very little, because of unfavourable weather, and which cannot produce enough to ensure a steady income and especially some profit. What is the result? In a constituency like mine great difficulties have been experienced. For instance, a poultry-farmer has to work in the bush in order to make ends meet and pay for his big tractor, while he should have bought a smaller one. He is therefore obliged, during the winter months, to go and work in the state of Maine, or he has to serve on the ships of the Department of Transport. In brief, he tries to find a way to earn some money.

With the implementation of the ARDA program, a better balanced and better thought out program, with a more equitable redistribution of the tillable lands at home, I believe it would be appropriate for the serious farmer to take advantage of the appropriate help which will be offered to him by the Department of Agriculture at the federal as well as the provincial level. Then the farmer could stay on his farm and, in that way, we will not only help him but also the class of forest workers who face a yearly invasion of their field of endeavour by these part-time lumbermen, farmers by profession, who, in order to survive, are compelled to practise several other trades. Thus we would even fight unemployment if a well thought out program were put to work adequately.

That is why, in order not to waste the time of the house, I want to express again all the confidence I have in the present Minister of Agriculture and congratulate him for the work he has done.

I would like things to go faster and the eastern farmer would be delighted.

With regard to supplying feed grain to the eastern farmer, I noticed last year, like all the other members, that the Department of Agriculture had taken a big step forward. When the shipping season opened, it paid for the transportation right away to fill our grain elevators, especially to help our farmers.

Personally, I felt that that was sound but our farmers did not get as much as they would have hoped, even if prices did go up a little.

Who made the profits? I suspect that certain big companies made profits and are still making some. However, co-operatives are

having difficulties because the price of pork has dropped while that of feed grain is excessive.

I wonder what would have happened if, for instance, the government had not filled the grain elevators? Perhaps the situation would be even worse. Of course, that is not enough but at least we got off on the right foot.

There has been a lot of talk about the effect of the price of feed grain on the dairy industry. We have within our ranks experts who can explain the situation much more clearly than I could and some of them will explain the statistics and set straight the facts which have been somewhat altered, I might say, by some members of the opposition. Figures will be given and explanations provided. Other explanations may not deal with statistics but they will be useful just the same.

In short, we surely have a lot to do yet, but it is certainly not through criticism that we will accomplish anything. As far as I am concerned, when the opportunity arises, it will always be a pleasure to express the grievances of my constituents because they do not always have the time to come to Ottawa to meet the minister and lay their problems before him. Besides, that is what I was asked to do.

But for the time being I know that at home —and when I say at home I mean, of course, in my constituency of Montmagny-L'Islet— even if we are hoping for a more vital and more specific solution, we realize that efforts are being made along those lines.

I am positive that the Minister of Forestry and the officials of ARDA are doing a marvellous job and that we will surely have better days and a sounder policy, because it will be a clearer policy, stemming from on the spot study. Instead of throwing up a big balloon to float everywhere, we will anchor it so as to derive the greatest possible benefits therefrom.

I leave you with that note of confidence in the present administration, but I will commend the government when the situation has improved, while hoping it will not deteriorate. I am looking forward to a greater improvement as soon as possible and so, I am urging the ministers concerned to continue their efforts with the help of qualified officials of the department.

I also say to our hon. friends opposite, no matter to what party they belong, that when they make proper suggestions, when they offer something acceptable, something constructive and positive, instead of only negative suggestions, then we will be happy to give them our co-operation. I see that the hon. member for Joliette-L'Assomption-Montcalm (Mr. Pigeon) now has a smile on his face. When he has good suggestions, it will give me pleasure to encourage him and to support him.

Mr. Speaker, I am sorry I took more time than I intended to, but it is in that spirit of co-operation with the hon. members of the opposition that I did so and, in return, I am asking for their co-operation. When they will actually give us their co-operation, that will be the day we will succeed in solving, as quickly as possible and in the most adequate way, the problem which is affecting everyone of us in eastern Canada.

[*Text*]

Mr. Eldon M. Woolliams (Bow River): Mr. Speaker, we have heard some excellent debating this evening and, as usual, the hon. member for Kootenay West (Mr. Herridge) lit up the chamber with his sense of humour. Coming from the same city as the Minister of Agriculture (Mr. Hays) I say with a lot of respect that when the hon. member for Kootenay West said he was going to call his prize white faced bull Harry, that is quite a compliment, because the minister will agree with me that some of the best Hereford stock is bred in the province of Alberta. I might not have gone quite that far myself, but it is still a compliment to the minister.

I was most interested in hearing the hon. member for Kootenay West discussing how the division of agriculture had been made, and in fact the hon. member for Fraser Valley (Mr. Patterson) was wondering how we people from western Canada might discuss agriculture on this amendment. I had better answer that right now. It seems to me we should have one department of agriculture and one minister of agriculture. Then we might have a healthy agricultural colony across the country because, when the wheat farmers of western Canada are doing well, they will not get into severe competition with eastern farmers who raise cattle and hogs and produce other agricultural commodities.

When one speaks critically he should also have something constructive to offer. I think the minister is a practical man, even if he believes in free enterprise after resurrection, as the hon. member for Kootenay West said this evening; but it seems strange to me that, even with one of the best contracts for grain ever made with Russia—a contract which was first made by the former government and then developed by this government—we were unable to supply the full quantities needed, or at least were unable to say to the Russian people that we could supply the full demand.

Make no mistake about it, Mr. Speaker, we had the supply of grain in western Canada. We had one of the finest wheat crops

ever, and if that grain could have been moved to the facilities at the ports, and from the ports to Russia, then probably the United States would never have signed its wheat sale agreement with Russia.

Therefore I say to the minister as I said a year ago, and as I said to the former government, some serious thought should be given by the Minister of Trade and Commerce (Mr. Sharp), working in conjunction with one minister of agriculture—

An hon. Member: If you can catch him.

Mr. Woolliams: I am not going to get into that. Some serious thought should be given to improving the grain handling facilities, the rail services, and the terminal elevators at the lakehead, Halifax, Vancouver and Churchill. If we have another boom, and that is likely because the former minister of agriculture has just returned from China and has some good news in that regard, we should make certain we have the facilities to be able to deliver the goods.

I am not one of those Conservatives who believe in subsidies right down the line because, after all, the law of supply and demand is the one fact that has made western Canada economically healthy. We have the demand and the supply, but we as a country boast too much about the things we have, while forgetting to put our handling facilities in shape, our railroads, our terminal elevators, and relations between management and labour, so that we can meet the demand.

Coming from the same city as the Minister of Agriculture, where he is well recognized because he was the former mayor, I say to him he has a chance to make a name for himself, if he will discuss this problem with the Minister of Trade and Commerce and have a serious discussion with the railroads. He should say to them "Look, there are three to four inches of rain on the main wheat belts in western Canada. With more rain in June and July we can look forward to another great wheat crop on the prairies."

I have heard senior members of the house tell how grain supplies used to be discussed for weeks on end in this chamber. That is no longer a subject for debate because the farmers are getting the big crops on the prairies and we have the contracts to sell the grain. But the sad situation in this country, which is developing industrially, is that apparently we cannot manufacture enough box cars and equipment to move our grain to the ports.

The gross national product increased again last year, as it did in 1962, and much of that increase is due to the fact that we moved the grain off the prairies. Wheat production is still one of the most important primary industries in this country, and the reason we are doing so well industrially, and the reason for the boom in farm machinery, manufactured in eastern Canada and sold on the prairies, is because the western farmers have been trying to meet the demand for their grain.

But this government of decision has not measured up to its responsibilities and met the demand created by the wheat contracts. Let us look into the situation in the ports of Vancouver and Churchill, and across the line, to see to it that we can fulfil the contracts that are ours.

I have only about a minute left, Mr. Speaker, and even though I know I will have some time tomorrow, at this point I say a very strange thing occurred when the Liberal government was elected. The first thing the Minister of Trade and Commerce did was to go out to Moose Jaw and Edmonton and there he said the former minister of agriculture made a mistake when he told the farmers to grow grain, because now they were going to have a glut on the market. That was in April of last year; but by September he was able to announce that because of the contract with Russia they should grow more grain. If it had not been for the farmers' own ambition and initiative they would not have produced the grain needed to supply Russia.

Mr. Speaker, I see it is now ten o'clock.

Mr. Pickersgill: Would the hon. gentleman permit a question?

Mr. Woolliams: Certainly.

Mr. Pickersgill: Does the hon. gentleman not recall it was the late C. D. Howe who made the first contract with Russia to sell wheat?

Mr. Woolliams: Well, if I might answer that, you know what Mr. C. D. Howe and Mr. Jimmy Gardiner told the farmers in western Canada. When the farmers had wheat piled up on their farms they said, "Wait until the drought comes and that will solve your problem."

Mr. Pickersgill: They never said anything of the kind.

BUSINESS OF THE HOUSE

Mr. Churchill: Could I ask the acting house leader to solve the problem of the business for Wednesday and Thursday?

Mr. Pickersgill: It would be unwise to anticipate too much. We shall go on with this debate tomorrow and, if it is finished before the end of the day, we will go on with the 12 mile limit, but beyond that limit I am not prepared to go this evening.

PROCEEDINGS ON ADJOURNMENT MOTION

(Subject matter of questions debated under adjournment motion).

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

NATIONAL DEFENCE—ALLEGED DISCRIMINATION AGAINST FRENCH CANADIAN ARMY OFFICERS

[*Translation*]

Mr. L. J. Pigeon (Joliette-L'Assomption-Montcalm): Mr. Speaker, on May 7 last I asked the Minister of National Defence a question regarding the discrimination against French Canadians in the Kingston military college and I quote:

> Is it the minister's intention to prescribe an inquiry, following the statement made by Mr. Arsène Lauzière, professor at the military college in Kingston to the effect that there is at the present time a certain discrimination against the French Canadians, as far as their promotion within the Canadian army is concerned?

Mr. Speaker, having received no answer, I asked that that question be taken up later.

I think it would be important for the government to set up as soon as possible a commission, perhaps a royal commission, on the Canadian army, with a limited period of time, in order to establish whether the quite serious charges made by the professor at the Kingston military college are true.

Le Devoir of May 12 last reproduced the statement of a senior army officer that French Canadians are not discriminated against in the army. Major General Worthington stated:

> A French Canadian soldier who speaks English has the same promotion opportunities as anybody else.

We often hear such statements in English-speaking military quarters and, to begin with, they are quite true. Promotions are based on seniority and merit, and that simple rule applies down to intermediate ranks.

However, so that this statement may apply adequately to the problem, a few implications have to be added which show that, if there is no discrimination, there is surely some injustice.

I should like to ask the minister—one of the two ministers of national defence is probably here this evening, even if I do not see either of them now—why is military instruction only given in English and not in both languages. Second, why is only one language used as far as work, correspondence and orders are concerned? Third, the soldier must serve wherever he is sent, with all the invitations that implies to put his own language aside, since he finds himself in a unilingual environment. I am of the opinion that the French speaking soldier should be on the same footing as the English speaking soldier. Fourth, a member of the armed forces who insists on remaining in the province of Quebec to ensure a French education for his children is considered a trouble-maker and his promotion is affected.

Mr. Speaker, I think there is some uneasiness and we are aware of it as a result of the great number of letters which we on this side of the house are receiving. This uneasiness among French Canadians is experienced in the three services. Of course, there is the royal 22nd regiment, which is mostly made up of French Canadians, but I wonder whether the Minister of National Defence could not establish other French speaking regiments or else some regiments half of which would be made up of French speaking and the other half of English speaking servicemen.

I feel it is not enough that the Laurendeau-Dunton commission will examine behind closed doors members of the armed forces who will express such a wish. In my opinion, another investigation should be conducted so as to know exactly what is going on in the armed services and to let the public know.

Serious doubts still exist in the public mind, and I hope that the Minister of National Defence, in the interest of national unity, will act as soon as possible in order to know whether or not there is discrimination against French Canadian servicemen.

[*Text*]

Hon. J. W. Pickersgill (Minister of Transport): Mr. Speaker, I regret very much that the circumstances which have made the attendance rather sparse on the front bench opposite have also made it pretty sparse on the front bench on this side this evening. I know that the Minister of National Defence (Mr. Hellyer), and even more the associate minister, would have liked to be here this evening to reply, and no discourtesy is implied by their absence. I am quite sure that the Associate Minister of National Defence (Mr. Cardin) will take full note of the questions raised by the hon. gentleman. It would be presumptuous on my part were I to attempt to give any kind of answer. I am quite sure the minister will be prepared to deal with these questions when the estimates of the department are before the committee of supply, and I will suggest to him that perhaps he might give a written answer to the hon. gentleman in the meantime.

Mr. Pigeon: I don't agree with that; he is supposed to be here.

LABOUR CONDITIONS—SAINT JOHN, N.B.—TRANSFER OF MANUFACTURING FIRM TO MONTREAL

Mr. Thomas M. Bell (Saint John-Albert): Mr. Speaker, last Friday I asked a question of the Minister of Labour (Mr. MacEachen) in the absence of the Minister of Transport (Mr. Pickersgill), so I am delighted that it is the Minister of Transport who is fulfilling all the responsibilities this evening. I asked:

In view of the closing of the national manufacturing concern of McAvity's in Saint John and its transfer to Montreal with all its facilities, resulting in a loss of more than 400 jobs, will the Atlantic development board immediately investigate and offer every assistance in this matter?

This question was ruled out of order by Your Honour, I suppose because of the lack of urgency. I suggest that this matter is very urgent because meetings are now being held in Saint John between the provincial government, civic officials and bodies, and company officers in an effort to save and possibly retain this industry, and failing this to consider possible alternatives for the plant and men. Therefore it is imperative, in my opinion, that the federal government be represented at these discussions.

This shutdown in Saint John has been one of the most serious blows which we have experienced for some time in this community. The hon. member for Charlotte has some business interests in the city and I think he will agree that this has been one of the toughest blows it has experienced in many years. Over 400 skilled men without pension are to be thrown on to the already meagre labour market. There will be little opportunity for them to relocate in Montreal. Though some may find it possible to obtain work in other industries, the great bulk of these men will have serious readjustment problems. I recognize that this is primarily a matter for the provincial government, and in all fairness I should say that they are taking an interest and are the ones who have arranged this meeting. However, at the same time the present Robichaud government has taken considerable credit for new industry in the province and have given rise to fantastic stories about great job opportunities for everyone. This closing down of a long established family industry will certainly be a lesson to them and they will think twice about making lavish claims in the future.

There is another ironic twist to this, in that we have just made plans for the completion of a large newsprint industry in the city which was arranged by the previous Flemming government of New Brunswick. It is presently under construction and will be ready for operation in ten months. But as optimistic as this is, it will not fill the hole left in the labour market by the McAvity closing.

Similarly, announcements were made in the local papers which appeared in the Toronto newspapers last Saturday that Du Pont will open a new industry there. This is the first to be located by that company in the Atlantic provinces. This is good news, but the truth is that the Du Pont mill will employ only about 12 men for their polyethylene processing.

I suggest that the Atlantic development board immediately send representatives to sit in at the Saint John meetings to obtain first hand information as to the reason this industry can no longer continue. They should examine the economics. Is it the old bogey of geography? Is it a case of freight rate disadvantages, or are there other hidden reasons? What is the responsibility of the internationally owned and controlled Crane Company who purchased McAvity four years ago and is now for some strange reason closing out their Saint John operation in favour of Montreal? It seems that everything is going to Montreal. It may be that the area development agency of the Department of Industry should be involved, and if it is felt by the minister that this would be better, it is all right with me. We are spending thousands of dollars to find out how to locate new secondary manufacturing in the maritimes. We are sending representatives all over the world—I know that some of the permanent officials of the Atlantic development board are presently in Scotland—to study methods which have been successful in other countries which have had this problem. Yet here at our own doorstep, and at the very moment these commendable efforts are being accelerated, this industry, long established and at one time the largest foundry in Canada, is shutting down. Therefore, I call on the minister to say that the federal government will send representatives to these conferences and enthusiastically assist in finding a solution to this problem, one which goes to the very core of our regional geographic disabilities in the maritimes.

I see the Minister of Transport (Mr. Pickersgill), with his great interest in the maritime provinces, is following closely, and this is one time when he has to rise to the occasion and show some sincere helpfulness in this respect.

Hon. J. W. Pickersgill (Minister of Transport): I cannot but agree with everything the hon. member has just said about the closing of this industry, which is so important to the economy of the city of Saint John and to the economy of New Brunswick. This is one of these regrettable things; it is very hard to

say, without full knowledge of the circumstances, what guides these private industries in making the kind of decision which has been made in this case.

Mr. Knowles: Don't you know?

Mr. Pickersgill: Certainly, I feel it is just as much a responsibility of the Atlantic development board to do everything it possibly can to preserve existing industries in the Atlantic provinces as it is to seek new ones there. The board has been in touch with the government of New Brunswick, as it has been in touch with other agencies interested in this matter from the time the news of the intention to close this plant was first given to us. The board and its staff have offered every possible assistance. If the actual physical presence of a member of the staff at the meeting would be of any help at all, I am quite sure one will be there and I will put this point at once to the board. But whether or not someone actually attends the meetings I can assure the hon. member for Saint John-Albert and the house that this is regarded as a very grave matter indeed. In a place like Saint John the loss of employment of 400 skilled men is a very serious blow. If there is any possible way of having this reconsidered, I am confident the Atlantic development board will do everything it can in this respect, and if that is not possible it will do everything it can to find some suitable alternative, in consultation with the government of New Brunswick, the Department of Industry and any other agency, federal, provincial or municipal which may be able to assist.

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

HOUSE OF COMMONS

Tuesday, May 26, 1964

The house met at 2.30 p.m.

LABOUR RELATIONS

MARITIME UNION TRUSTEES—APPEARANCE BEFORE HOUSE COMMITTEE

On the orders of the day:

Hon. Michael Starr (Ontario): Mr. Speaker, I would like to direct a question to the Minister of Labour and ask him whether he would make arrangements immediately to have the maritime union trustees appear before the standing committee on industrial relations, in order to give that committee the story on what has transpired up to now and so the trustees can be subjected to questioning.

Hon. A. J. MacEachen (Minister of Labour): Mr. Speaker, I expect to be seeing the trustees later today and I will raise this question with them.

Mr. Starr: Could not the minister be more specific, in view of the fact that one of those trustees, Mr. Millard, has appeared before certain members of the New Democratic party? Other members of the House of Commons should be given a résumé of what has transpired in the work of the trustees.

Mr. MacEachen: Mr. Speaker, I was not aware that any such meeting had taken place, but I will raise the question my hon. friend has mentioned, namely the appearance of the trustees before a committee of the house.

Mr. D. M. Fisher (Port Arthur): A supplementary question, Mr. Speaker. As someone who is not aware of the allegation made by the hon. member for Ontario, I wonder whether the minister would consider really moving on the suggestion made by that hon. member, as it would help to clear up not only the one question but also the matter of whether Mr. Millard did meet with members of this party.

Mr. MacEachen: Mr. Speaker, as hon. members are aware, I have raised this question more than once with the chairman of the board of trustees and with at least one other member, and the view taken at that time by the chairman and members of the board was that an appearance before a parliamentary committee, where they would have to discuss their activities in detail and in public, might prejudice the work of the board. I will raise the question again with the trustees and see whether the intervening passage of time has changed that particular consideration.

Mr. Starr: A supplementary question, Mr. Speaker. In view of the report in the *Globe and Mail* this morning by Mr. Wilfred List stating, among other things, that Mr. Millard recently met the parliamentary caucus of the New Democratic party to explain the position of the trustees, would the minister not consider that the other members of this house also have a right to meet with the trustees?

Mr. T. C. Douglas (Burnaby-Coquitlam): On a question of privilege, Mr. Speaker, the statement just referred to by the hon. member for Ontario is completely inaccurate. Mr. Millard has never met with the caucus of the New Democratic party. I do not know where the report came from, but I want to assure the house that the report is completely incorrect.

Mr. Harold E. Winch (Vancouver East): Mr. Speaker, I rise on a question of privilege because in two ways I am indirectly concerned in a previous question. I want to make it clear as deputy chairman of the caucus of our group that Mr. Millard has never met with us. In addition I wish to speak as national vice president of the New Democratic party and as such I am, I presume, a responsible officer of that party. Mr. Millard has never met with our political party in any way whatsoever.

GREAT LAKES—INQUIRIES RESPECTING "DO NOT SHIP" LIST

On the orders of the day:

Right Hon. J. G. Diefenbaker (Leader of the Opposition): May I ask the Minister of Labour if he is now in a position to answer a question I asked him regarding the "do not ship" list and, in particular, the position of one Jacques Savard who claims he was denied employment because his name was on that list.

Hon. A. J. MacEachen (Minister of Labour): Yes, Mr. Speaker. I promised the right hon. gentleman that I would get this information for him, and I now want to tell the house that the case of Mr. Jacques Savard has been brought to the attention of the board of trustees.

Inquiries of the Ministry

I am informed by the trustees that Mr. Savard has been interviewed and has been advised to make application to the maritime appeals board established to consider such cases. The trustees have also stated that they are prepared to assist Mr. Savard in bringing his appeal before this board.

Mr. Diefenbaker: Have there been any further examinations made to ascertain whether the "do not ship" list is still in effect?

Mr. MacEachen: Yes, Mr. Speaker. In conjunction with the information provided in this case the trustees have stated once again that there is no "do not ship" list physically in existence. The only record which the trustees have of persons previously included on this list is that available from the Norris commission. The trustees have written to all those whose addresses could be located, offering their assistance to such persons.

LABOUR CONDITIONS

ASSISTANCE TO UNEMPLOYED WORKERS IN RELOCATING

On the orders of the day:

Mr. T. C. Douglas (Burnaby-Coquitlam): Mr. Speaker, I should like to ask the Minister of Labour a question with reference to the statement he made the other day to the effect that workers desiring to move from one part of Canada to another should be given financial assistance irrespective of whether or not they are moving from a labour surplus area to a labour deficiency area. Does the minister intend to introduce legislation regarding this matter at this session?

Hon. A. J. MacEachen (Minister of Labour): Mr. Speaker, in discussing the question of labour mobility I ventured the view that careful consideration ought to be given to widening the basis upon which assistance should be given to unemployed workers. I suggested that we in the Department of Labour were at present considering a wider method of assisting unemployed workers, but no decision has been reached. The matter is under consideration.

[*Later:*]

Mr. Heath Macquarrie (Queens): Mr. Speaker, I have a question for the Minister of Labour along the same lines as that of the hon. member for Burnaby-Coquitlam. In the minister's contemplated and Gordonesque migration of workers, has he any special plans for quick action on the 72,000 jobs needed in the Atlantic region?

Mr. Speaker: I realize the great importance of this question, but would the hon. member put it on the order paper.

[Mr. MacEachen.]

CANADIAN FLAG

PROCEDURE TO BE FOLLOWED IN SUBMITTING DESIGN TO PARLIAMENT

On the orders of the day:

Right Hon. J. G. Diefenbaker (Leader of the Opposition): Mr. Speaker, to return to things more mundane may I ask the Prime Minister whether there has been a determination by the cabinet as to the design of the flag that is going to be submitted to the house, and when he intends to place the resolution on the order paper.

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, there will be a resolution in *Votes and Proceedings* tomorrow morning which, among other things, will describe in some detail the design of the proposed flag to be submitted to parliament. To assist hon. members and as a convenience to them, at the time the resolution appears on the order paper there will be a pictorial description of the flag which will be circulated to all hon. members.

Mr. Diefenbaker: Mr. Speaker, I appreciate that action on the part of the Prime Minister, so we are going to be let in on the secret. May I ask him, then, what is the general plan of the government regarding debate on this matter? Will it be proceeded with at once or will it be delayed? I think the house and the country would like very much to have the Prime Minister tell us what is going to be done about it, after we see this pictorial obsession produced.

Mr. Pearson: Mr. Speaker, the resolution will be on the order paper on Thursday and it can then be called, I take it, by the government at any time. It is proposed to give hon. members a few days to consider the resolution and then to proceed to introduce the resolution, I would hope within a matter of a few days after that.

[*Translation*]

Hon. Léon Balcer (Three Rivers): Mr. Speaker, may I put a question to the right hon. Prime Minister?

Could he inform the house as to whether his office, the government or the Liberal party had one or more gallup polls carried out on the question of the flag?

If so, would he kindly communicate the results to the house?

[*Text*]

Mr. Pearson: Mr. Speaker, the government has taken no poll of this kind, nor do I know of any poll taken by any party.

Mr. R. Gordon L. Fairweather (Royal): I have a supplementary question for the Prime Minister on the flag. I wonder if the Prime

Minister will advise if it is intended in the resolution respecting the flag to provide for the conjoint flying of the red ensign, thus satisfying first the premier of Newfoundland and second the concept of co-operative federalism.

Mr. Speaker: If the hon. member will wait until tomorrow morning he will have a chance to see exactly what is in the resolution.

Mr. Erik Nielsen (Yukon): I have a supplementary question on the flag. Will the Prime Minister inform the house whether instructions have now been given to any government department to manufacture anything in the form of the Pearson pennant?

Some hon. Members: Shame.

Mr. Robert C. Coates (Cumberland): Mr. Speaker, I have a supplementary question for the Secretary of State for External Affairs. Should the Pearson pennant be adopted, will he carry out an educational program in those countries where Canadian peace troops are serving, so that our troops would not be fired upon, in view of the fact that foreign countries might—

Mr. Speaker: Order.

[*Translation*]

Mr. L. J. Pigeon (Joliette-L'Assomption-Montcalm): Mr. Speaker, I should like to direct a question to the Prime Minister. Should parliament adopt a distinctive national flag, could the Prime Minister tell the house if the cabinet will abolish the 1945 order in council which established the red ensign as a flag?

[*Text*]

Yes or no?

Mr. Speaker: Order. This question is not in order.

[*Translation*]

Mr. Pigeon: I rise on a question of privilege, Mr. Speaker. The question is most important, because we think the government is about to give Canada two flags, which is a stupid thing. We would have one for week days and the other for Sundays.

[*Text*]

[*Later:*]

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I direct a question to the Prime Minister. He referred earlier today to a pictorial representation of the flag the government is recommending, which is to be distributed to members. Will this be printed on paper only, or is the government considering providing us with a specimen of the flag so we can see what it looks like as a flag when it hangs from a mast?

Mr. Pearson: Mr. Speaker, it is appearing on paper to assist hon. members in their consideration of the resolution. If members, having had a look at it on paper, would like it in some other form we should be glad to oblige.

[*Later:*]

[*Translation*]

Mr. Pigeon: Mr. Speaker, I wish to direct a question to the Prime Minister. Does the fact that we have two flags mean that the government adopts two national anthems?

Yes or no.

[*Text*]

Mr. Pearson: Mr. Speaker, there can be only one national flag, and I am sorry my hon. friend is not going to support us in getting one.

EXTERNAL AFFAIRS

VIET NAM—CANADIAN PARTICIPATION IN PEACE KEEPING FORCE

On the orders of the day:

[*Translation*]

Mr. Gilles Grégoire (Lapointe): Mr. Speaker, may I put a question to the Secretary of State for External Affairs?

Could the minister tell us if, while conferring with the United Nations secretary general, U Thant, the matter of Canada's participation to a peace force in Viet Nam was discussed? If so, could he tell us what are Canada's commitments in that regard?

Hon. Paul Martin (Secretary of State for External Affairs): Mr. Speaker, we have discussed many things generally, but as there is no definite proposal before the security council, I think it might be better to wait and see what happens. If we know of a proposal, we will consider it.

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

Could the Secretary of State for External Affairs tell us whether parliament will be consulted before Canada reaches a decision about sending a peace keeping force to Viet Nam?

Mr. Martin (Essex East): Mr. Speaker, there has been no question for the moment of a definite proposal, but I am convinced that parliament would have some responsibilities to assume in that event.

[*Text*]

CYPRUS—EXTENSION OF PERIOD OF COMMITMENT OF CANADIAN FORCE

On the orders of the day:

[*Translation*]

Mr. Marcel Lessard (Lake St. John): Mr. Speaker, may I ask a supplementary question?

Could the Secretary of State for External Affairs tell us whether the secretary general of the United Nations, U Thant, has asked him to extend the mandate of the Canadian forces for a three month period, as previously agreed?

Mr. Martin (Essex East): We did not discuss the matter during our talks.

[*Text*]

PUBLIC SERVICE

REAPPOINTMENT OF MEMBER OF UNEMPLOYMENT INSURANCE COMMISSION

On the orders of the day:

Hon. Michael Starr (Ontario): Mr. Speaker, I would like to address a question to the Prime Minister and ask if he will give me an answer to my question of last week, as to whether the government has yet decided on the reappointment of Mr. Alistair MacArthur to the unemployment insurance commission.

Hon. A. J. MacEachen (Minister of Labour): Mr. Speaker, the matter is presently under consideration, and no decision has been reached.

BUSINESS OF THE HOUSE

REQUEST FOR STATEMENT ON PRIORITY OF LEGISLATION

On the orders of the day:

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I direct a question to the Prime Minister. Because the flag debate has come to our knowledge since May 15, when the Prime Minister gave us the list of business for this part of the session, could he at an early date make a statement giving us the actual priorities so we will know what are the items of business we should give our attention to in the next few weeks, and so that we will know where the Canada pension plan will be in that list of priorities?

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, I think that is a very good suggestion, and perhaps a convenient and useful time would be next Monday or Tuesday.

Mr. Harold E. Winch (Vancouver East): As a supplementary question to the Prime Minister, in order to expedite the business of the House of Commons and the legislation he wants put through the house, at an early date will he place the legislation on the order paper so members can read it, understand it, and be prepared to discuss it?

Mr. Pearson: Mr. Speaker, I think there are between 15 and 20 items on the order paper now.

TELEVISION

REMOVAL OF FREEZE ON PERMITS FOR CABLE TELEVISION SERVICE

On the orders of the day:

Mr. A. D. Hales (Wellington South): Mr. Speaker, my question is directed to the Minister of Transport. In view of the fact that the Fowler committee terms of reference do not include the study of cable television, would the minister now consider removing the freeze that he placed on this industry as of December 31 last?

Hon. J. W. Pickersgill (Minister of Transport): Mr. Speaker, as the Secretary of State indicated in his statement yesterday, it is the intention of the government to make an announcement very shortly about this subject, and I cannot anticipate it.

AGRICULTURE

EGGS—REPORTED IMPORTATION FROM ENGLAND

On the orders of the day:

Mr. R. A. Webb (Hastings-Frontenac): Mr. Speaker, I would like to direct a question to the Minister of Agriculture. According to today's issue of the *Globe and Mail* there is a large shipment of eggs to arrive in Canada from England. Could the minister advise the house as to what type of eggs these are, and for what purpose are they being imported?

Hon. Harry W. Hays (Minister of Agriculture): Mr. Speaker—

Mr. Speaker: Order, please. I realize the urgency of the question, but I would like to be in a position to hear the answer.

Mr. Hays: Mr. Speaker, I did not see the report but I would be glad to check into it. I know that an hon. member from Saskatchewan—I just forget which constituency—is quite concerned about eggs in Saskatchewan, and I think probably we should be bringing them from that province. We will take a good look at the matter.

FISHERIES

NORTH PACIFIC TREATY—REFERENCE OF SUBJECT MATTER TO HOUSE COMMITTEE

On the orders of the day:

Mr. Barry Mather (New Westminster): With your permission, Mr. Speaker, I should like

to ask the Minister of Fisheries a question. Having in mind the large delegation of fishermen present in Ottawa today from our western or British Columbia maritimes, can the hon. gentleman clear up a question which concerns them by telling the house whether the matters involved in the north Pacific fishing treaty will be placed before the standing committee on marine and fisheries for consideration at an early date?

Hon. H. J. Robichaud (Minister of Fisheries): I cannot but repeat the statement which I have made in the house on two or three occasions: The north Pacific treaty matter will be brought before the standing committee on marine and fisheries as soon as our negotiations are complete and before acceptance or ratification by the government.

CROWN ASSETS

DISPOSITION OF EQUIPMENT OF CLOSED RADAR STATION

On the orders of the day:

[*Translation*]

Mr. Auguste Choquette (Lotbinière): Mr. Speaker, I should like to direct a question to the Minister of Industry and Minister of Defence Production. It is an urgent question since the St. Sylvestre radar station is going to be closed without delay. I ask the minister whether he intends, in anticipation of the establishment of an economic industry, to let the equipment on the station go at a nominal price?

[*Text*]

Some hon. Members: Order paper.

Mr. Speaker: On advice, may I suggest that the hon. member put his question on the order paper.

[*Translation*]

Mr. Choquette: Mr. Speaker, I wish to raise that question after ten o'clock.

[*Text*]

NATIONAL DEFENCE

CANADIAN PARTICIPATION IN UNITED STATES MILITARY EXERCISE

On the orders of the day:

Hon. Gordon Churchill (Winnipeg South Centre): I have a question for the Minister of National Defence. Is there in progress at the present time in the United States a major military exercise called "Desert Strike" and are members of the Canadian armed forces there now as observers?

Hon. Paul Hellyer (Minister of National Defence): I will take the question as notice.

EARTHQUAKE DAMAGE

BRITISH COLUMBIA—REQUEST FOR ASSISTANCE OF PRIME MINISTER IN APPEAL FOR FUNDS

On the orders of the day:

Mr. T. S. Barnett (Comox-Alberni): Mr. Speaker, I have a question for the Prime Minister. On May 14, which was the day the Prime Minister announced the amount of the federal contribution to the Alberni valley and west coast disaster fund, he informed me that he would be glad to consider taking some steps to assist the committee in increasing the amount of the voluntary contributions. I should like to ask the Prime Minister whether, in view of the continuing need for an increase in this fund, he would be willing to take some steps, such as appearing on a national television appeal, in order to bring to the attention of Canadians everywhere the continuing need for assistance in the rehabilitation of the tidal wave disaster victims.

Mr. Fairweather: Bring out that old film.

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, I would be glad to appear on such a program in such a good cause; indeed I would be glad to appear on a program at any time.

SUPPLY

The house resumed, from Monday, May 25, consideration of the motion of Mr. Gordon for committee of supply, and the amendment thereto of Mr. Hamilton.

LACK OF ACTION TO ASSIST EASTERN AGRICULTURE

Mr. Eldon M. Woolliams (Bow River): Mr. Speaker, last evening at ten o'clock I had just started to speak on the supply motion, particularly with reference to agriculture. In review I might say that I mentioned at the beginning of my remarks that in order to have a healthy agricultural economy, not only has it to be healthy in western Canada but it must also be healthy in eastern Canada. You cannot have two distinct programs; you must have one national program.

I was dealing particularly with an important question. I said that I did not think we should be critical unless we would be constructive. I pointed out to the Minister of Agriculture through you, Mr. Speaker—and I am glad to see the Minister of Trade and Commerce in his seat today—that with Russia we had one of the most economic contracts for the sale of western wheat which we ever had, outside of the one with China. I said to the minister that I thought it was regrettable we did not have the facilities in

this country, particularly the railway facilities—I wonder whether we could have a little order, Mr. Speaker?

Mr. Speaker: Order, please. I am finding it very difficult to hear the interesting remarks of the hon. member.

Mr. Woolliams: Coming back to what I was saying, it is rather regrettable that a country which favours not only an agricultural industry but also an industrial economy did not have the facilities either through the railroads or at our ports or otherwise to move grain to Russia. When this government was elected they said they were going to be a government of action, and I maintain that if they had got busy with the railroads and the farm organizations, the pools of western Canada and the line companies which purchase our grain at local elevator level, and make certain those facilities were such as to move the grain off western Canadian farms, we could have supplied the grain to Russia instead of letting the United States do it. When these negotiations were first entered into the United States was against selling wheat to those people who were living behind the iron curtain. It was only after we were unable to complete our contract or fulfil the demands of Russia that the United States stepped into the picture and was able to take a big slice of the contract which might have gone to the farmers of western Canada.

My charge to the government is that although the wheat board has done a good job and has co-operated throughout the years to sell grain for the western farmers, this government has been irresponsible in that it did not get the facilities ready to deliver that grain. As I said last night, I maintain that when the law of supply and demand operates then there is prosperity on the farms of Canada, whether they be in western Canada or in eastern Canada.

I think the main reason these facilities were not ready was the position taken by the Minister of Trade and Commerce when the government first took office. What was that position? I set it out very clearly last evening. The position was that the government told the farmers of western Canada that the former minister of agriculture, who is in his place today and who told the farmers to grow grain so they could meet the demands of Russia and China, was "all wet". They said that the farmers should not have been encouraged to grow grain because there would be a large surplus.

I should like to quote from the Winnipeg *Free Press* for September 23 last so as to put the exact words on the record. Under the heading "Wheat curb urged" the Minister of Trade and Commerce and the Minister of Agriculture are reported as follows:

> Mr. Sharp said the Soviet sale did not change the advice he gave last spring that Canadian farmers should grow less wheat and more of other kinds of crops.
>
> Mr. Hays said farmers should cut their wheat acreage and turn to crops like feed grains. A 10 per cent reduction in wheat acreage, he said, would put Canadian wheat production back in the 500 million bushels a year range—

In other words those two ministers took the position that even with a contract with Russia and a contract with China there was going to be a surplus of grain. The fact is that if we had fulfilled the contract that Russia would have liked to sign with this country, fulfilled the obligation with Russia under the contract we already had, and had had the facilities to deliver this grain, there would have been a great boom in the agricultural industry of this country.

I do not know how the minister can now reconcile his position. He was shortsighted. He was irresponsible. He was not aware of the situation when he spoke to the farmers on that occasion, not only in Edmonton but in Moose Jaw and throughout western Canada. I should like to hear the Minister of Trade and Commerce and the Minister of Agriculture explain their positions.

Today they would like to take the credit. I noticed that the Minister of Trade and Commerce went to Los Angeles recently. I do not know whether he was in Hollywood, but he made a speech claiming that these large wheat sales which he was putting through were a great thing. When we on this side of the house were on the other side of the house we were told these contracts were the wheat board's contracts. He was the one who criticized them, who told the farmers to produce smaller crops; and today, of course, now that we have a boom they are endeavouring to take the credit for it. I do not think he will be able to pull the blinds over the eyes of the western farmers. I do not think Mr. Buckwold, the mayor of Saskatoon, will ever get into the cabinet, because the people of western Canada will know exactly what the situation is. I suppose because they have tried to bribe the voters before they will try to bribe them again, but it would seem to me that the people of Saskatoon, and particularly the farmers surrounding that area, will know the true picture and will know who really implemented a national agricultural policy in this country.

I ask the Minister of Agriculture, who has done a lot of travelling since he took that portfolio, to stand in his place when I have finished talking and name one piece of useful legislation he has placed on the statute

books for the farmers. The answer is that he has placed nothing on the statute books. I say, Mr. Speaker, that the wheat board has served the farmers well, but as far as the grain growers and agriculture are concerned, this government are most irresponsible. I am laying before the house the facts about this government this afternoon.

An hon. Member: A government of retreat.

Mr. Woolliams: It is a government of retreat, but unfortunately with regard to agriculture they have nothing from which to retreat, because they have done nothing.

Mr. Sharp: Just the greatest year in Canadian history.

Mr. Woolliams: I am glad to see the Minister of Trade and Commerce come to life, because he puts me in mind of that advertisement for blue blades. They used to say "Be sharp and look sharp". Today I do not know whether we can be sharp or look sharp because everybody is using Wilkinson's blades—and everybody out in western Canada is going to vote Conservative.

Mr. Sharp: Just like they did in Saskatchewan.

Mr. Greene: I didn't think you were old enough to shave.

Mr. Woolliams: I heard one of my friends say that he didn't think I was old enough to shave. I will tell him that when he appears before the Liberal convention in Ontario he will have the closest shave he has ever had.

Mr. Benidickson: He might win.

Mr. Woolliams: I would like to quote from the Toronto *Star* of September 23, 1963. Let us see what they have to say. I mention the Winnipeg *Free Press* and the Toronto *Star* because I think they would report the facts regarding these ministers very accurately:

> Last July Mr. Sharp suggested in Edmonton that wheat acreage might be reduced. "I would think", he said, "that foreseeable demand for our wheat can be satisfied from smaller acreage—

The reason he is telling the farmers to grow smaller acreage is that he knows the facilities of his department are inadequate; he knows that the Minister of Agriculture, who went to Russia, did nothing to stimulate a contract, and they are not capable of doing the job. I charge them with their lack of responsibility in this connection. As far as the western farmers are concerned, I know he has been played up as a great Liberal hero, but the fact is that both those ministers should resign; they are irresponsible as far as a program for agriculture is concerned.

I would now like to come to another matter, Mr. Speaker. One of the most confusing things for anybody in the opposition is to ascertain who is really looking after the agriculture portfolio. We all know how some of these ministers come to grips with subjects. I have here a copy of last night's *Citizen*. I can understand the headline because we have seen many of these headlines in regard to a very unusual committee. I am glad to see one of the members of that committee sitting in the front row opposite—he is generally in the back row—because I know he will be interested in this subject. The headline says, "Beer parlour socialists not wanted". This statement was made by the Minister of Forestry (Mr. Sauvé), and I am sure the hon. member will be interested in hearing this.

Mr. Greene: I haven't heard anything yet.

Mr. Woolliams: This article says:

> "We have to work through political parties". Describing himself as one of the "real socialists". Mr. Sauvé poured scorn on socialist theorists who are "arguing all the time and don't know what the real problems are".

He took up the theme of his complaint about this matter and said he was a "real socialist". I remember I once made a speech in which I said birds of a feather flock together and birds of certain other feathers roost together. Now these birds are beginning to show their true feathers in the House of Commons. They are the great socialists. We have finally smoked them out. As the hon. member for Kootenay West—

An hon. Member: What about Fairweather?

Mr. Woolliams: Well, he had a lot to say and they were very complimentary about Mr. Fairweather. I refer to the *Citizen*. The hon. member for Kootenay West said that the Minister of Agriculture, who has nothing to look after, was a free enterpriser and would be such even after the resurrection; but the other minister is a socialist, and they do not know how deep the roots run. That is exactly what the *Citizen* said in its article. I do not think he challenged the *Citizen*.

So, Mr. Speaker, how do the farmers know where they are going? Do they believe they are going to be under the regimentation of the socialist who really holds the power in that department or, under the free and fancy programs which have not yet been administered by the Minister of Agriculture, who is a free enterpriser? Are they going to be under the regimentation of the socialist or under the free enterpriser? I say, Mr. Speaker, they are a two flag government and they are a two flag party in regard to the Department of Agriculture. But under one of those ensigns there is one man with the power—and that is the socialist—and the

free enterpriser from Calgary has been pushed out; he has nothing to take care of. That is the situation.

My final charge to the Minister of Trade and Commerce is briefly this; that no matter how he tries to dish it up, he can never take credit for the prosperity on the western farms as far as the sale of grain is concerned. First of all he told the farmers they were wrong to grow it; he told them not to grow any more, and when it finally fell in his lap he said it was an accident. I say to him that it was an accident that he arrived on that side of the house, but it will not be an accident when he returns to the proper side of the house, if he ever does return.

Mr. Sharp: Which side is that?

Mr. Woolliams: I say that because the policies with regard to agriculture are the same kind of policies that this government are trying to implement in other departments, and they do nothing to help the situation. What have they done for eastern agriculture? What have they done for the eastern farmers? Nothing. Any time the Minister of Agriculture swells with pride he does so because he is speaking about the legislation which the Conservatives put on the statute books of this country.

Mr. Benidickson: And did nothing about it.

Mr. Woolliams: The operation of that legislation put on the statute books by the Conservatives has done a great deal in improving agriculture in this country. Let us get down to brass tacks. When it comes to exporting grain—and we are going to hear a great deal about this—in 1962-63 we exported about 357 million bushels; that is flour and wheat together. In 1961 we exported 353 million bushels; in 1960 we exported almost 300 million bushels. We can only keep that quantity moving if the facilities of this country are such that we can move the grain off the farms—

Mr. Sharp: How much this year?

Mr. Woolliams: I do not know, but I am coming to that.

Mr. Sharp: Five hundred and fifty million bushels.

Mr. Woolliams: I asked the Minister of Trade and Commerce how much was sold under the Russian contract and he kept saying it was against public policy to tell us. We cannot find out unless we read newspapers.

Some hon. Members: Oh, oh.

Mr. Woolliams: One thing I might say to the minister is this. Even if it is 400 million bushels or 500 million bushels, another 200 million bushels could have been sold to Russia if they had had the railways, the docks, the ports in shape and had discussed the matter with the farm organizations, the wheat pools, the line elevators, and if they had made certain they could keep management and labour working together.

I am glad to see the Minister of Justice in his place. It took him six months to get a charge laid against the man who disrupted all the shipping on the great lakes. That is the kind of program we have had from this government. This is the kind of responsibility we have been getting from the empty front benches that we see this afternoon.

An hon. Member: And empty heads.

Mr. Haidasz: What a lot of verbal diarrhoea.

Mr. Woolliams: That may be true; if there is one man who knows anything about diarrhoea, you would understand. I would not have used the word diarrhoea, Mr. Speaker, but the hon. member is a specialist on diarrhoea; that is his profession. On those words, Mr. Speaker, I rest my case.

Hon. Harry W. Hays (Minister of Agriculture): Mr. Speaker, in all humility I apologize for the member from Calgary on behalf of the people of Calgary.

An hon. Member: He will look after himself.

Mr. Hays: I realize that he feels this way occasionally, but he is a pretty good friend of mine and he has said to me "Harry, don't take any notice of it; I have to say it in the house anyway but you know I don't mean it". First, Mr. Speaker, I should like to give the figures in so far as shipments of wheat from Canada are concerned. The all time high in wheat shipments out of Canada occurred in the year 1928-29.

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

Mr. Benidickson: You are too late.

Mr. Woolliams: I am not too late. I want to say that the minister may have been right that we are friends, but I challenge him to say again in this house or outside of the house anything that he has said today. If he meant it as a joke let him come clean, because I have never said to the minister inside the house or outside the house that anything I say in the house he should take with a pinch of salt. I can say that I have respect for the community which has elected me twice as often as it has elected its former mayor. I say to him that if he knows what he is doing, then as a citizen of Calgary and the member for Calgary South, who had a very close shave and bought his way into the house, he will get up and apologize.

Mr. Hays: Mr. Speaker, I understand that if any member of the house wishes to take the attitude that the hon. member for Bow River has taken, that is his privilege, and I have no recourse but to accept his statement. If I may continue with the wheat export figures, the all time high was 408 million bushels in the year 1928-29. To date we have exported 418 million bushels and we have two and a half more months to go. A year ago at the same time our exports were 255 million bushels. Remember those figures; 255 million bushels a year ago compared with 418 million bushels now.

I remember being on the west coast shortly after the Minister of Trade and Commerce made his visit there, when we learned that we must do something about the static condition in so far as shipments of wheat from the west coast were concerned. At that time the all time high was the unloading of 400 cars a day. It was not long before we had it up to 450 cars a day. We thought that was excellent. We were even more pleased when it reached 500 cars a day. We never thought it would get to 600 cars, but it has reached 650 cars a day.

By the first of August this year we will probably have exported in the neighbourhood of 600 million bushels of wheat. Add to this the 155 million bushels consumed in Canada and we come out with a figure of 755 million bushels. The all time high production was 723 million bushels of wheat last year. I think that pretty well takes care of the facts of the case, and I believe this government should be commended on the good job it has done. I am sure every farmer in Canada feels exactly the same way as the Russians, Chinese and other recipients of our grain.

The hon. member for Kootenay West made the comment last night that he now has a prize bull named Harry. I think that probably is a good name to give him if he is an active chap, and he probably is. At three o'clock this morning I telephoned the Minister of Forestry to ask him whether he wanted to come back to protect his ARDA program. He said "I do not think it will be necessary. All the farmers know about it, so I think I will not come back." My wife said to me, "To whom are you talking"? I said I had been talking to Sauvé.

I said I was thinking about what the member for Kootenay West had said about me. I said "You remember the time we imported that highland cow from Scotland for which we paid $1,800". She had a bull calf and we took the bull calf back to western Canada. We did not want to expose him to any of the females and we did the necessary thing so that if he did jump the fence nothing would happen. We got to like him. He was a funny fellow. He was a little shaggy and did not do much, but we laughed at him. I said to my wife "I have been thinking that maybe we should call him Herbert, or Bert for short". She said "Well, I think that is a pretty good idea, but as he is such a nice, kindly old man why don't you call him after the old goat we have to keep the bulls from fighting?"

As Minister of Agriculture, Mr. Speaker, I wish as nearly as possible to answer all the questions that were raised yesterday concerning the Department of Agriculture, because farming is a very serious business. We have a great responsibility to the farmers of Canada, and I do not think we should take it lightly. I want to answer what the hon. member for Qu'Appelle said about feed grains. My colleague the hon. member for Kings mentioned the matter, but I should like to go into a little more detail.

The hon. member for Qu'Appelle referred to the feed grain policy which he said the previous government was ready to introduce at the time of the dissolution of parliament in 1963. I discussed the problem with farm organizations and found that they wanted a program which would ensure adequate supplies of feed grains in the east at prices which would not be affected by the close of navigation. I did not take long to appreciate that a program could readily be set up to do this very thing. The policy was announced on August 22, four months after we took office.

This was the policy under which the government reimbursed holders of western feed grains in eastern position for the winter carrying charges. As a result of this policy there were 30.8 million bushels of western oats, barley and feed wheat in eastern elevators at the close of navigation last year compared with 21.2 million bushels at the close of navigation in 1962, an increase of 9 million bushels. On May 13 this year there were 8.7 million bushels in eastern position compared with 6.7 million bushels a year ago.

I tabled in the house previously figures showing the manner in which this policy resulted in western feed grain prices staying uniform throughout the whole winter. The figures I tabled and which I am going to repeat now were assembled from the actual invoices of sales which are filed with the department under the freight assistance policy. These show that from October last year to April this year the average weighted price at Montreal of oats and barley shipped to retailers changed hardly at all. In October last year it was $2.44 per hundredweight for oats, and over the succeeding months it

has varied from a low of $2.42, which was in April, to a high of $2.47. This is a very minor spread, I am sure.

The same thing has happened with barley prices. The average weighted wholesale price of barley, based again on the actual claims filed with the department, was $2.48 per hundredweight last October. The price in the succeeding months has never gone above that and, in fact, in April it was only $2.38.

Without this storage assistance policy it is very doubtful if we would have had the volume of feed grains in eastern Canada which we did have during the past winter and, based on previous years, we could have expected by April an increase of 17 cents a hundredweight in the price of oats compared to last fall and an increase of 13 cents in the price of barley, based on storage charges alone, plus any changes that may have occurred in the market due to short supplies.

Present indications are that this assistance policy will cost about $1 million, and I may say that this has been money very well spent because, in addition to the benefits which I have just reviewed, eastern and British Columbia livestock and poultry producers have used approximately 500,000 tons more Canadian feed grains this past year than they did during the previous year.

We have heard a great deal from the official opposition about what they intended to do about an eastern feed grain policy, but the fact is that nothing was done. The steps taken by this government last summer have contributed very substantially to improving both the supply position and the stabilization of prices over the winter months. This has been accomplished despite the very heavy pressure on both supplies and facilities occasioned by the immense overseas wheat movement.

The former minister of agriculture mentioned something about dairy policy. However, before I deal with dairy policy, I may say he referred to the fact that the previous government had a whole agriculture policy. I have been through the office and I have been through every drawer, but I cannot find it. If they had one they have taken it away with them, because I cannot find it.

As I say, the former minister mentioned dairy products. Several times during agricultural debates here it has been charged that savings have been made in the cost of the dairy support program at the expense of the dairy farmer. Any examination of the facts will show that this is not the case, but rather the moves that have been made have been a rationalization of the program with a transfer of part of the costs from the taxpayer to the actual buyer of the products. The only exception to this was the step taken a year ago, a step which had been forecast by the previous government, to reduce the assistance previously given to fluid milk producers. Even here certain measures taken have been of assistance to this part of the industry.

To put this matter in perspective, let us look at the suggestion which has been made here that the $3.5 million saving which has been forecast this year will be at the expense of producers. This is obviously incorrect, since the support levels have not been changed and the $3.5 million represents entirely the saving of 1 cent per pound in the butter subsidy. Perhaps the best indication of the effects which the program changes have had on farmers' returns is the farm gate milk and butterfat prices recorded by the bureau of statistics. For the most recent month available, which is February, the average farm value of butterfat this year was 69.4 cents per pound, up 1.9 cents from a year ago. Cheese milk was $2.87 per hundredweight, up 7 cents from last year. Milk for concentration and ice cream was $2.85, up 15 cents from a year ago.

It has been suggested that changing the cheese subsidy from 30 cents per hundredweight of milk to 3.6 cents per pound for first grade cheddar cheese is a backward step and that it will reduce producer returns. For Canada as a whole, based on the per cent of first grade cheese produced and the average yield per hundredweight of milk, the 3.6 cents subsidy is equivalent to 30.5 cents per hundredweight of milk. While it is true that there are some plants whose production of first grade cheese is below the national average, I am confident that the present program will provide an incentive to improve cheese quality and will provide a basis for the payment to producers for cheese milk on a quality basis. I think it is important to point out that there are cheese factories which consistently produce less than 60 per cent first grade cheese.

Some members have suggested that a lowering of the export assistance on cheese would adversely affect our markets abroad. Changes in the export assistance have only been made as market conditions in the importing countries warranted it. Last year the assistance on cheese was reduced by 1 cent and export markets absorbed this difference. Exports last dairy year were 31.2 million pounds compared to 27.4 million pounds the year before.

I agree with the hon. member for Qu'Appelle that we have not yet reached a final solution in regard to a dairy policy. It does seem to me, however, that rising producer returns, increasing consumption, greater exports and decreasing stocks are a distinct

improvement over the mounting surpluses which faced us when we came into office.

The hon. member for Qu'Appelle referred to a water policy for eastern Canada similar to the P.F.R.A. in western Canada. Under ARDA we have been carrying forward an aggressive water policy in eastern Canada. In Quebec we have entered into agreements with the province for 82 drainage and channel improvement projects at a total cost to the federal government of $1,169,000. I might say that this is almost the amount that had been spent on this program in all the previous years. In Prince Edward Island, Nova Scotia and New Brunswick we are participating with the provinces in community and farm pond programs and in open ditch drainage and channel improvement projects. The total contribution to these projects by the federal government to date is $223,000. In Ontario we are participating in a complete soil and conservation project for the Whiteman creek watershed which is part of the area coming under the Grand river conservation authority. The total contribution to this project is $223,000.

In addition to these active conservation programs we are engaged in several water resources projects. We are doing a ground water resource inventory in the Annapolis valley of Nova Scotia and in the Big creek watershed in Norfolk county in Ontario. We have a project which is being carried out by the Ontario water resources commission for a surface of water resources survey in irrigation and other rural uses in southwestern Ontario. In Nova Scotia and New Brunswick the engineering assistance of M.M.R.A. is being redirected to cover a comprehensive watershed protection and development plan for the Musquodoboit river in Nova Scotia and the Kennebecasis river in New Brunswick.

The hon. member also mentioned that he had planned a livestock policy. It is my contention that the most immediate need of the Canadian livestock industry is to put itself in a position to better meet competition, both internally and abroad. This, I believe, can best be done through increasing the efficiency of our basic flocks and herds, whether by decreasing the amount of feed required to produce a pound of beef, a pound of pork, a dozen eggs or a pound of chicken, or by increasing the rate of gain of the animals or rate of lay of the birds.

The approach to this problem is manyfold, but fundamental to it all is the need for active, accurate and expanding testing programs. Canada has always had an excellent record of performance program for dairy cattle. I should like to digress here a little by stating that 42 countries recognize that Canada has the finest dairy cattle in the world. They have recognized this for something like 40 years. I come back now to the fact that Canada has always had an excellent record of performance program for dairy cattle. On taking office we were confronted with a backlog of applications from 115 farmers who, because of the staffing situation within the record of performance organization, were unable to avail themselves of this excellent program. This was immediately corrected.

Testing programs must, however, be reinforced and complemented by research programs having in mind the over-all objectives that I have just outlined. In order to do this we are reassessing the emphasis in livestock and poultry research programs. A further step in such a national program is to ensure that the benefits that can accrue from such programs are brought rapidly and strongly to the attention of livestock producers. Possibly the best forum for this would be the many fairs and exhibitions at which livestock of all classes are exhibited.

Over the years livestock classifications have tended to move away from utility factors. A definite step has been taken to reorient livestock classifications through the establishment for the current year of a pilot project at certain fairs. This project will provide the basis for a major change in the assistance program to fairs and exhibitions and will ensure that utility and efficiency assume their rightful place in the evaluation of our livestock.

Now, Mr. Speaker, another project which the hon. member for Qu'Appelle mentioned as having been in his party's plans, but which had not been introduced, was a fertilizer policy. As hon. members know, there are some agricultural matters which are attended to by the federal government and some which are attended to by the provinces. Matters such as fertilizer assistance have always been regarded as a field of provincial activity. The province of Quebec has had a fertilizer assistance program for a number of years, on which they spend between $2.5 million and $3 million annually.

There have been suggestions from time to time in the house that much more is being done for western agriculture than for eastern agriculture. I think it would be desirable to put some figures on the record to illustrate that these suggestions are not correct. For example, in the fiscal year 1963-64 payments under the various deficiency payment programs of the agricultural stabilization board totalled $31.8 million in eastern Canada and $10.3 million in western Canada. On butterfat alone, Quebec farmers received $14.3 million and Ontario farmers $9.6 million, which is a

total of $24 million as compared with $9.5 million in the whole of western Canada.

Quality premium payments on hogs and lambs last year were $3 million in Ontario and $1.8 million in Quebec, a total of $4.8 million as compared with $2.6 million spent on these quality premiums in western Canada.

One and a half million dollars was spent on lime assistance, virtually all of which was spent in eastern Canada except for a small amount in British Columbia. Freight assistance payments on western feed grains to eastern Canada were $17.2 million last year. We know that both the eastern and western farmers benefit from this amount of money.

Getting back to the $1,200 farmer, between the years 1941 and 1951 the number of farmers who moved from the farms to urban centres, into industry and that sort of thing, amounted to 1½ per cent of the total number each year, but between the years 1956 to 1961 3½ per cent of the farmers moved from their farms to urban places. We find the $1,200 farmer not only in Quebec but also in British Columbia, in the maritimes, in fact in every province of Canada.

Quite a bit of research work has been done on the problems of the $1,200 farmer, and I find that he works 157 days a year off the farm. What made me concerned about this is the realization that two sows with two litters a year produce over $1,200 at present prices, and eight cows, producing the national average of butterfat and not taking skimmed milk into account, produce over $1,200. So if you have a farmer with two pigs he has $1,200, and if he adds to it eight cows, each producing 240 lbs. of butterfat, he gets another $1,200.

We have a situation in Canada where farmers are moving from the smaller farms but are using those smaller farms as homes until they establish themselves in industry. In any policy which we pursue we must maintain the family farm, and in the four pieces of legislation which we hope parliament will consider and pass before the end of June, we have this very thing in mind.

The first piece of legislation deals with farm credit. It seems to me that if a loan is amortized over the whole period a farmer can pay a rate of 6 per cent and establish a farm, provided he has suitable credit so far as other things are concerned. In the farm credit legislation that we propose, and which is on the order paper, we are expanding the opportunity of the small farmer to buy his neighbour's farm, if his neighbour wishes to sell, or buy any other farm in order to make his own into a economic unit. We must have the family farm if we are to produce the commodities that the consumers in Canada buy, and these at the lowest prices.

We also have legislation dealing with disaster problems, providing crop insurance to take care of times of disaster so the farmer will not find himself back in the same position he was three years before disaster struck him. In farm improvement loans we aim to provide the single farmer with the opportunity to get enough money to buy the sort of equipment he needs in order to keep his costs down, and the fourth piece of legislation we propose is the farm machinery bill, which will do the very thing we want it to do in maintaining the family farm.

I have listened to the debates in this house on agriculture, and I may say we have had enough of them. Everybody speaks on agriculture because everbody is interested in food. I have listened to the speeches very carefully and the ones I could not listen to I have read, because that is my job. Some of them were pretty boring, but I went through them and I have found, Mr. Speaker, there are many members in the house—believe me they are sincere, and I think they mean what they say—who do not know anything about agriculture outside of their own regional areas.

Canada is a big country, stretching from sea to sea. There are 60 members on the agriculture committee and we have made plans to have a plane ready—the facilities are being provided—so we can take the members of the agriculture committee to every province in Canada in the month of August. We must do this so they will be in a position where we can give them something to tear at and something to build. When they make this trip they will have a lot of information on which to work.

I want to see Quebec farm members of parliament visit in the southern part of Saskatchewan south of Swift Current where they cannot see their hand in front of them for dust. I want to see the Saskatchewan farm member of parliament stand in Newfoundland where he will be up to his knees in muskeg, and out in British Columbia and northern Alberta and Saskatchewan where there are only 90 frost free days in the year. I want to see members take a look at the problems in these areas at first hand, and then we can bring together the sort of program in which every farmer in Canada can believe.

These are some of the problems we have in agriculture. No one man can do all the work. Everybody must take part. As I said before, Mr. Speaker, two more bushels of wheat per seeded acre can amount to another

$100 million, and in 10 years that would equal the whole amount which the former government was going to spend on the ARDA program. If our hog were as good as the Danish hog it would produce another $43 million. Some of the French breeds of cattle, which consume only 3½ pounds of feed to produce one pound of beef, as compared with our cattle which consume five pounds of feed to produce one pound of beef, would be very worth while to Canada. These are the things we must do if we are to improve the farmers' lot.

An hon. member was complaining the other day about the fact that we had taken 1 cent off the support price of cheese. The subsidy was originally put on when cheese was 29 cents a pound. That was the reason for the 4 cent subsidy, and when cheese went to 34 cents a pound probably the full subsidy should have been taken off, but we took off only 1 cent. Cheese today is 35 cents a pound, and we have removed another 1 cent.

The hon. member said that the consumption of cheese was down by 3 million pounds. Remember, Mr. Speaker, the greatest market you have is the home market, and when you get your prices so high that the consumer starts using other commodities then you are in great trouble with this particular commodity. This is why we have to watch our step in Canada, because our surpluses could so easily control our whole prices.

These are some of the things which we must consider. Mr. Speaker, I have welcomed this opportunity to say a few things about agriculture after being in office 13 or 14 months. This is the way my government finds the Department of Agriculture and believe me, we are anxious to do something about its problems.

[*Translation*]

Mr. Clément Vincent (Nicolet-Yamaska): Mr. Speaker, unfortunately I could not attend yesterday's debate on agriculture, because of a death in my constituency. But, when I returned to the federal capital this morning, I read the speech of the hon. member for Qu'Appelle (Mr. Hamilton), in which he voiced his opinion on Canadian eastern agriculture. The speech of the hon. member for Qu'Appelle shows that the former minister of agriculture has the interest of farmers at heart, especially those of eastern Canada to whom we will have to pay special attention during the next few weeks in order to raise their standard of living.

However, I was astonished—and this will surely vex eastern farmers—to see that the leader of the house and leader of Quebec Liberals was opposed to the discussion by the house of the very delicate and complex question of eastern agriculture. I think this matter should be debated so that the government may not only resort to long sentences and put resolutions on the order paper but find concrete solutions to the problems of eastern farmers.

When I think that, during the next general election campaign, those very same Quebec Liberal members will come to that province to boast of Liberal government achievements and tell the farmers that the Liberal party has done much for them, I am sure that they will not boast of the stand taken by their own leader, for he was opposed to the debate now going on in the house. In fact as recorded on page 3544 of *Hansard*, the Minister of Justice (Mr. Favreau) stated:

> —dealt squarely and completely with all policies relating to ARDA, and therefore to eastern agriculture.

As if eastern agriculture were limited and come only under ARDA.

The minister concluded his remarks by saying:

> For that reason, I suggest respectfully that the amendment ought to be declared out of order.

Mr. Speaker, we have responsibilities to carry out and, since the government of the day has been in power for a full year, we should like to ask all hon. members, regardless of where they sit in the house, whether they sincerely feel that the members of the government have fulfilled their duties as legislators and whether they have really done something for eastern agriculture. I am convinced that not one hon. member can trust the present government, because it has done nothing whatsoever for eastern agriculture, and I am going to prove this point.

The Minister of Agriculture (Mr. Hays) tried to prove a while ago that the dairy program he announced on April 29 last was an improvement. He said for instance that 3.6 cents a pound would be given on first quality cheese, and that represented 31 cents per cent. By this statement, he proved the point I put forward last year and which I continue to maintain, that the farmer has not received the money he should have per cwt. of milk which he shipped to the cheese factories last year.

If 3.6 cents a pound are equivalent to a 31 cent increase per cwt. of milk, when the minister tells us that milk was sold to cheese factories 7 cents per cwt. more than the previous year, he should know that last year the price of cheese was, according to figures published in the report on dairy products market by the Department of Agriculture for the months of May, June and July, 34.6 cents, 34.2 cents and 35.2 cents, while it was

at 32 cents a pound in July 1962. So, the pound of cheese has increased from 2.5 to 3.2 cents.

Now, the minister tells us that the farmer got 7 cents more for cwt. of milk sent to cheese factories.

If the program announced last year and by means of which the federal treasury managed to save more than $11 million did not allow farmers to receive their 20 or 25 cents per cwt. of milk, as would have been normal, it is because the present government is more interested in saving money than in really helping the dairy producers through the Agricultural Stabilization Act.

Last week, Mr. Speaker, as I reached the end of my remarks, I was beginning to deal with the very important question of feed grain.

When the hon. member for Qu'Appelle was minister of agriculture, we had prepared a piece of legislation which was put on the order paper but did not go through because our government was defeated on a nuclear arms question.

The propaganda of the Liberal party during the 1963 election campaign led the people to believe that the present government had the answers to those problems. What was that answer? What measures have really brought about supplies stability, price equalization and, above all, price stability in eastern Canada?

The Minister of Agriculture alone claims that prices were firm throughout the season.

Yet, I have before me a price list sent to grain dealers of eastern Canada. This list published by the Agro Company, a well-known firm, is dated September 7, 1963. It reads as follows:

Oats No. 1—Montreal $2.29½ per cwt.; Quebec city, $2.28 per cwt.
Barley No. 1—Montreal, $2.23½ per cwt.; Quebec city, $2.28 per cwt.
Wheat—$2.83 per cwt.

That was for September 1963, at the beginning of the season. On January 8, 1964 I phoned Montreal myself to ask the price of grain as a buyer. Here are the prices that were given to me then:

Barley: $2.59½; oats: $2.55¾; No. 5 wheat: $3.35½.

You see that there is a difference from $2.83 to $3.35½ with regard to wheat. That is not what I call price stabilization.

In September 1963, in Montreal, the price of barley was $2.23½, while it stood at $2.59½ on January 8. On September 8, 1963, in Montreal, the price of oats was $2.29½ and it reached $2.55¾ on January 8, 1964.

As you can see, Mr. Speaker, there was no stability at all in prices.

Last year, we asked the government to establish the committee on agriculture to study the matter of feed grain. The committee met on many occasions, it heard several persons who gave us very useful information in order to allow the government to develop a new policy ensuring what we, Conservatives, wanted to achieve: the stability of supplies, the equalization of prices, an incentive to produce feed grain in the east and, finally, the stability of prices for feed grain in eastern Canada.

That committee worked during several weeks. Where do we stand today? We do not hear that the committee intends to carry on with this business; we wonder what is the government's intentions for the next season.

What we want right now is that the present government will assume its responsibilities, that it will reconvene the agriculture committee to consider the matter of feed grain and find a final solution to this problem which is very important for farmers in eastern Canada.

For instance, we know that 25 per cent of the expenses of eastern farmers are made to purchase feed grain.

Before the sitting of that committee, I met the director of one of the most important flour mills of my riding, which is situated near my home and which buys its grain directly from the broker.

I asked this man to take note every week of the prices he had to pay for feed grain, such as barley, oats and wheat. He gave me yesterday a complete list of prices, but I do not intend to read it all to the house. However, I wish to quote the prices that the millers have had to pay for barley, oats and wheat during the September-May period. You will then be able to appreciate the stability of prices.

I shall begin with August 30, 1963. The prices I will quote are the prices paid for grain that has reached the terminal railway point, close to the milling factory. Oats, $2.30 per cwt.; barley, $2.26 per cwt. and No. 5 wheat, $2.84 per cwt. Those were the prices at the end of August 1963.

On September 6, 1963, oats were $2.31½ a cwt., barley was $2.27 a cwt., and wheat $2.86 a cwt.

Now, let us go on to October 1963. On October 10 of that same year—and though I might quote figures for October 1, 7 and 8, as well as for the 10, 18 and 21 of that month I shall limit myself to prices for the middle of the month—the price of oats on the siding, quite near the mill, was $2.55 a cwt., barley, $2.59 a cwt. and wheat $3.35 a cwt.

Now let us take a look at November 1963. On November 11 of that year, the price paid for oats was $2.58½ a cwt., for barley, $2.54 a cwt. and for wheat—though we should keep

in mind that none could have been obtained, even if a price had been quoted, it was $3.59½ a cwt.

Let us go on to December 1963. On December 9, oats were $2.58, barley $2.60 and wheat $3.37.

And now we come to the month of January 1964. On January 15 oats were $2.58, barley, $2.63 and wheat $3.38.

What about stable prices?

As far as the month of August and the beginning of September are concerned, oats were $2.30. On January 15, 1963, oats were $2.58, which is 28 cents more for a hundredweight, or nearly $6 higher for a ton. As to barley, it was $2.26 at the end of August and the beginning of September; whereas in January 1964, it was $2.63, an increase of 37 cents a hundredweight, or $7 a ton. This is not price stability.

For February 1964, $2.46 were paid for oats, $2.48½ for barley and $3.44 for wheat.

Just consider now the price that has to be paid by eastern farmers for feed wheat at the beginning of September or in late August. The price was $2.84 at the end of August and $2.86 at the beginning of September. Then, it rose to $3.44, that is an increase of 60 cents per cwt. or $11 to $12 per ton. That is the price difference between the wheat sold at the beginning of September and the same product which could be bought on February 18, 1964.

And you can go on. In March, oats was paid $2.41, barley $2.45 and wheat $3.29. In April, on the 20th day of the 4th month of 1964, oats stood at $2.41½, barley at $2.47½ and wheat at $3.18½.

In May 1964, on the 14th day of that same month—I am giving all those dates and figures to show the Minister of Agriculture that all this is not idle talk. We took care—and we would have done it if we had sat on the other side of the house—to get from the miller and the farmer the prices of feed grain. Today, we submit that the government does not want to fulfil its duty and, as stated by the Minister of Agriculture (Mr. Hays), does not want to agree to the Conservatives' proposal to set up a purchasing board for feed grain in eastern Canada. Now, we intend to prove that such a board is required and even essential to settle the problems facing our farmers-producers in the province of Quebec and eastern Canada.

I go on quoting the prices for the month of May. As at May 14, 1964, oats was priced at $2.42½; barley, at $2.47; as for wheat, no price was given for that week.

May I point out that, on May 1, 1964, a miller in my riding bought bran for $2.62½ and shorts for $2.72½. He even ordered four or five carloads. But on the 22nd day of the same month and the same year, this year, just recently, the price of bran, for no reason at all, suddenly dropped to $2.32½ and the price of shorts to $2.47½.

That proves that there was no price stability this winter as far as feed grain is concerned.

Even if the minister's figures say that there was stability, I would rather believe a very well organized miller who must buy feed grains to sell them to farmers. The prices he had to pay for those grains he bought during the season that just ended are the ones he gave.

As far as feed grains are concerned, we must, in the first place as a federal parliament, legislate to enable eastern provinces to set up one single authority as regards the purchase of feed grain; second, we must provide for the granting of credit to enable farmers to buy feed grain.

That is what we must strive to accomplish. To my mind and in the opinion of several millers, farmers, producers and co-operative owners I have spoken to, that is the only way to ensure the co-ordination of supply and the stability of prices in eastern Canada so that producers of my province and of the other eastern provinces may organize their production; indeed, that would enable them to know in advance the price of feed grain.

If you stop and think, for instance, that when we sell wheat to other countries, those countries know the price they will pay by the time the wheat is to be shipped. Why then, in eastern Canada, should our farmers not be able, under the legislation I am proposing, to group together, figure out their requirements for a period of eight or nine months and go directly to the Canadian wheat board and buy the feed grain their livestock will need during the winter period?

After consulting one another and having met the representatives of this credit agency which we could set up to buy feed grain, those people could go to western Canada in August of each year and, without disorganizing the Canadian wheat board in any way and without taking anything away from western farmers and producers, buy what they need direct. They would then be sure of obtaining firm prices for all their grain after the end of the shipping season.

I put forward that idea last year and I am doing it again this year among several millers of the province of Quebec and even eastern Canada.

In my opinion, we are in a position to put forward that idea, in order that millers and farmers, after having alerted public opinion,

may convince the federal government to accept that legislation. If we succeed, we will have performed our duty and made progress in the right direction.

Mr. Speaker, if western farmers have deemed it advisable to set up the Canadian wheat board to look after their interests, the farmers, millers and co-operatives of eastern Canada can do likewise to look after their interests, so that they may play their part as suppliers of food to mankind.

What amazes me is that members of the present government said in the province of Quebec during the last election campaign that they had passed this resolution. They claimed they were the ones who would apply it. Why then this reluctance to go any further today and to really tackle the problem? Farmers themselves wonder whether some interests are preventing the government from doing so.

On October 15, 1963, I said this in the house:

> Where are we, today, October 15, 1963? Are there interested people who do not want that legislation put on our statute books? Those are questions that farmers we meet ask themselves.

On that date, I directed that question to the government, and today, I am asking all the members of the house who are really familiar with this feed grain problem and have met farmers and millers—as I have all during this winter—to tell the committee—if such a committee is again instituted—what they really think about it, to study this question objectively, in order to arrive at this solution which, in my opinion, is the only one deserving our attention, since it is the only one which will ensure final settlement of this question.

But, as far as we are concerned today, the non-confidence motion which was introduced by the member for Qu'Appelle and which I supported, to the effect that:

> This house regrets the continuing failure of the government to take effective action with regard to the pressing agricultural problems of eastern Canada.

Well, this non-confidence motion should be adopted by the house, for we do not speak solely in our name but in the name of the farmers of eastern Canada. Everybody knows that, at the present time, they are disappointed and I wish that Liberal members could meet the farmers, in their own constituency and in others, to discuss objectively all that they think about the present government because they would then state: "In the next election, we shall get rid of that government which heads the country." I hope the house will support that non-confidence motion.

Mr. Choquette: Would the hon. member permit me a question?

Mr. Vincent: Yes.

[Mr. Vincent.]

Mr. Choquette: The hon. member advocates the establishment of a board, of a grain agency for eastern Canada. Now, is he able to tell me whether he was in perfect agreement with the leader of his party and with the hon. member for Qu'Appelle when he made that suggestion?

Mr. Vincent: Mr. Speaker, what I suggested—

Mr. Choquette: I ask the hon. member whether the right hon. member for Prince Albert supports his suggestion?

Mr. Vincent: What I have just suggested—

Mr. Choquette: Yes or no?

Mr. Vincent: May I read a resolution passed unanimously at the last convention of the Conservative party, before all Conservative members representing eastern and western Canada, for it is the same country. I quote:

> To enable the passing of legislation on sales in the east, to create a single authority for the purchase of feed grain, and second, to set up credit for the purchase of feed grain for our farmers.

That quotation should answer the question asked by the hon. member for Lotbinière, since this means that all Conservative members wanted that legislation to be passed. That is why we intend to work, to discuss and to ask the government to pass it as soon as possible.

Mr. Choquette: Hence, all Conservative members are in favour of the establishment of an agency for the purchase of grain for eastern Canada? Is that what you mean?

Mr. Vincent: Certainly.

Mr. Rosaire Gendron (Rivière du Loup-Témiscouata): Mr. Speaker, nobody will deny the importance of the farm problem in Canada itself, on the national as well as the international level.

On the international level, Senator Y. Coude de Foresto submitted to the NATO parliamentary conference a brief in which he pointed out that the 15 member nations of NATO are faced with similar problems in agriculture, namely the constant drift of people from rural areas, an increase in individual farm acreage, the ensuing disappearance of numerous farm jobs. Here is what he says on page 2 of his brief:

> Better means of communication, automobile, radio, television, some progress (still not enough of course) towards equal education, have brought about clashes between agriculture and the other sectors of the economy. The rise of labour unions, co-operatives or mutual associations has shown the young farmers the value of number and the strength derived from unity and sometimes its corollary: the use of force to gain satisfaction.

Of course, it is not those indications at the international level which will remedy the

situation here. In our part of the country, in the east and especially in the province of Quebec, a revolution is going in our farming communities which, in days past, formed an autonomous parochial economy and tried to be self-sufficient. However, the advent of such means of communication as the radio, television and newspapers and the opening of roads have created completely different problems.

Nowadays, young farmers are no longer satisfied with living on the farm as their forefathers did; they want to enjoy all the advantages of modern society. But, at the same time, it is no longer as easy for them to be self-sufficient because they must take the money they make from the sale of their production to buy the consumer and other goods necessary to satisfy his needs.

It is there that is felt the great difference between the standard of living in industrialized areas and the one existing in farming areas. They are conscious of that fact and they are shocked.

We are witnessing—and you know it—an economic concentration in about 15 large cities across the country and a constant exodus of young men and women from rural areas. This is obviously creating serious economic, social and moral problems.

Those economic problems often force young men and women getting nowhere in their own areas to leave for the larger centres. They are faced with difficult problems because they are ill-prepared to earn a living and to contribute by their work to the normal development of the community in which they live.

On the other hand, the rural communities where this social haemorrhage is taking place are affected by the loss of their young men and women who could, if they had the opportunity to do so, contribute by their vitality, their energy and their work to the development of their community.

From a social and local point of view, we must remember that this emptying of all those parishes creates many serious problems, since people remaining have to pay for education, schools and local organizations, and they often are left with only the young and the old people, while those who could develop the community through their vitality and their work have to go elsewhere.

There is no need for me to emphasize the moral significance of this uprooting of people who, sometimes ill-prepared, in an environment unsuitable to them where they feel like strangers, encounter difficulties of all kinds for their own moral life.

Of course, the family is the natural basis of society; it is the mother-cell of society. We shall not add to our moral or to our material wealth by destroying the soundest cells of our society. Unfortunately, we sometimes see this evil developing like a cancer through an irrational and rapid development of certain sectors, thus destroying the healthier cells of our society.

This creates a number of problems for the underdeveloped areas which are asking for the tools that would further their development.

However, in accordance with the philosophy of economic liberalism, the first condition which is laid down is that it must be an economically sound proposition. Since that condition is not fulfilled, these areas are sometimes refused the tools which would contribute to lift them up from their economic misery.

I say that the agricultural problem has not only one solution in the remedies related to agriculture itself. The present government has put on the order paper a number of measures just waiting to be passed. Perhaps a greater contribution would be made by letting that legislation to be passed as quickly as possible rather than moving want of confidence motions.

I will not go into the details of all those measures. The minister himself explained them and other speakers have indicated to what extent the present government intends to contribute to the financing of farm properties or agricultural institutes, to assist farmers by means of a support price for milk, butter and other commodities and do some planning in the case of products that are difficult to sell, in short, how the government wants to encourage the production of other commodities which would boost our exports.

But I want to point out the fact that we will not find a definite solution to the farm problems without looking after the development of the whole territory of a region. And that is when the whole problem of an improved economic balance throughout the country arises: the need to bring back on their feet the distressed areas and to assist, as the present government is doing, those distressed areas which are grouping themselves and want to contribute to the solution of their problems.

Neither will there be one easy utopian solution for the farm problem. We shall have to group ourselves according to the various areas to find the true avocation of our communities and invite the whole population to work hard at its own development. And I would say that it is up to the communities to take the initiative and start this necessary economic re-grouping, with the assistance of local authorities and later, of the provincial and federal governments.

The point of knowing whether the matter of designating areas was under federal jurisdiction has been much discussed. Where were those who wondered whether this did not come under provincial jurisdiction. As for me, I say that we live under a democratic system and that it is, first of all, up to the various areas to group themselves and have those groups recognized by the higher authorities, taking into consideration the avocation and trend of the collectivities and have their suggestions approved by the higher authorities of this country, keeping, of course, in mind the latter's recommendations in this field.

There will have to be agreements to proceed with the inventory of our communities and at the same time projects will have to be started to make people wait patiently for the implementation of fully considered, long term schemes; it will be necessary also to canalize the clearly expressed local ambitions and hopes while neither minimizing nor spurning such hopes by trying to implement over-simplified solutions.

I say, borrowing Boussuet's words: "It is among the people that you will find plain common sense".

One has to attend the meetings of the economic guidance council of the lower St. Lawrence to see how interested our people are, how devoted and ready to co-operate in their own economic development.

But alone they will not be able to go against the very strong current I have mentioned before if they do not receive that sympathy which is given to a sick child who gets not only the medicine it needs but also the best food to restore him to health.

I do not accept the principle according to which, the rentability being the same, preference will be given to the setting up of industries in depressed areas.

It is like telling two children one of whom is healthy and the other crippled; first come first served. In such a way, the former would surely get fatter and the latter would only get weaker.

If economics only is laid down as basic principle, the vicious circle by which more is given to those who have already a lot, and nothing to those who do not have much, will be further emphasized.

However, if this principle of economics is not taken into consideration, this will open the door to numerous abuses. Hence the need, in order to intervene effectively, for area planning and justification for the creation of a rural development department. That is another government measure, which followed the establishment of the economic council and the Department of Industry, as well as the adoption of a group of other pieces of legislation, designed to relieve underdeveloped areas, which proves the sincerity of the present government in its endeavour to better the lot of underdeveloped areas, especially the farmers.

It will be quite a challenge and quite a task for the department to put an end to unemployment in rural areas and, at the same time, to develop that territory, to set up industries related to agriculture—we will have to come to that if we are to provide a market for our agricultural products—and to process forest products locally. As forestry engineers pointed out in their brief to the Bélanger commission, because there are no other resources, trees are being cut indiscriminately and forests are being spoiled to pay land taxes and other taxes whereas what we need at present is a long term reforestation policy.

The paradoxical situation of sailors throwing cargo overboard to save the ship is not uncommon. However, if we have set up an economic council, a Department of Industry, designated areas—the criteria and statistics used for the establishment of such areas should be revised—and the responsibility to deal with those problems, which they could not do successfully, will not rest only with that department but rather with all the departments, all the crown corporations and all governments at every level.

Individuals in society are not like potatoes in a bag. The rotten potato can be taken out to prevent it from corrupting the others. We know that society is constituted like the various limbs of the human body, in such a way that if one of those limbs gets sick, and if it is not nursed in time, the whole body is in danger. Therefore, we cannot be satisfied with global statistics and we must see to it that adequate remedies are applied to the affected limbs.

It is therefore necessary that all departments and all crown corporations be not partitioned, but agree that they can, while administering in the best possible way their own department, work in such a way that an appropriate decentralization should provide for the rehabilitation of areas which could, not only take care of themselves, but contribute to the general development of the country.

I say that, in any case, we will have to pay the bill for the progress or the recession, and we have no alternative. I think it is more pleasant and more profitable to supply the required tools, the organization which is essential to the development of resources, and invest the money required for that purpose, or else the number of those who

have no other alternative but the welfare state will increase and we shall revert to what caused the decline of Rome, when demagogues were promising bread and games, leading to believe that a people can unduly live on empty dreams, sponging on the whole world, and keeping the nation in the dream of a marvellous world where we could get rid forever of all the miserable people who stemmed that sea of hidden and miraculous plenty which could spread over suffering mankind and bathe everybody in a sea of joy and plenty.

It must be recalled, Mr. Speaker, that if the 30 acres of ice and snow have become a huge and rich country—the second nation in the world as far as exports and industry are concerned—it is certainly not because we have one of the most favourable or easy climates. It must be recalled that other nations, other countries had just like us abundant natural resources and a milder climate.

But, if we have the development by which we are benefiting today, it is because we had serious, hard-working and honest people and governments that could inspire confidence to the whole world.

We must do our share to maintain that confidence to support initiatives, encourage capital investments in the development of our natural resources while not giving away, of course, our right to control our economy and our policy. We must create the climate necessary to the birth of the great undertakings which have made of our country, in spite of great handicaps, such as distance, climate and remoteness, one of the most prosperous in the world.

Of course, that psychological climate does not just happen, it follows action taken by a responsible government, seconded by understanding and support by a people proud of its freedom and anxious to contribute, in a climate of confidence, to the normal evolution of its social, economic and political life.

That is why, notwithstanding the stand taken by the hon. member for Nicolet-Yamaska (Mr. Vincent), I will support the present government with regard to its farm policy and I will give it my confidence tonight because it is creating, from the Atlantic to the Pacific, a climate of confidence which might give new life to our country's economy. That, the hon. member for Nicolet-Yamaska feels it well—

Mr. Vincent: I do not think so.

Mr. Gendron: He feels it well—

Mr. Vincent: I do not think so, and neither do you, for that matter.

Mr. Choquette: He will grow older, he will understand.

Mr. Gendron:—because—and I shall close my remarks on that—within one year, we have brought forward all the legislation and all the departments really capable of controlling the ailment and giving this country a new economic development. I think the whole nation recognizes that.

Mr. Vincent: Mr. Speaker, may I direct a question to the hon. member? I think he has two more minutes to go.

Can the hon. member tell me what pieces of legislation relating to agriculture have been put on the statutes of Canada within the last year?

Mr. Gendron: I advise the hon. member for Nicolet-Yamaska to read the order paper. I earnestly hope that having read it and having found out what has been put on it, he shall endeavour to convince and to advise his colleagues and opposition members to co-operate fully, so that this legislation can come into force as soon as possible.

Mr. Dupuis: It will not take long.

Mr. Vincent: Just name one or two legislative measures.

Mr. Dupuis: It will not take six years.

[*Text*]

Mr. Robert C. Coates (Cumberland): Mr. Speaker, on hearing the speech of the hon. gentleman who has taken his seat I can only conclude that he has neither been in his constituency recently nor in this house, for had he been in either place he would be well aware of the dismal record of the government ever since it took office, and particularly in this session of parliament.

To say it is a dismal record is the ultimate in understatement. It is a government that believes in smokescreens rather than action. We have seen this so often in this session already that not only we in the opposition but the country as a whole are fed up to the teeth with the type of government these so-called men of decision were supposed to provide.

Look at the smokescreens we have seen in this session. First of all, we had the pension legislation. We had mark I, mark II, mark III, and now we are going to get mark IV. But probably by the time mark IV comes along mark V will be proposed.

Mr. Winch: Are you speaking on a military basis, because I was an infantry officer and I know that each succeeding mark was better than the one before?

Mr. Coates: Not only do I hope that the hon. member for Vancouver East (Mr. Winch) is correct but I know this nation hopes this as well, because it was a poor piece of

legislation to start with. When the hon. member for Winnipeg North Centre (Mr. Knowles) asks today whether the pension legislation is to receive priority over the flag legislation, what are we told? "We do not know where it is now; we have not heard all the answers from the provinces." This is the legislation which at the beginning of this session we were told was supposed to be paramount in the minds of the government.

The second smokescreen was the redistribution bill.

Mr. Pickersgill: What are we debating?

Mr. Coates: We are debating the inability of you and your kind to run this country properly.

Mr. Pickersgill: I thought we were debating smokescreens.

Mr. Coates: You should know all about that. You have been spreading them all over this parliament for some time. The second smokescreen was the redistribution bill. Where is it now? It is like the maps which we do not seem to be able to find.

We are debating the flag issue more often than anything else, a flag design, when we should be spending all our time on subjects such as the one under debate at present, the agricultural policies of the government. But, Mr. Speaker, the government is devoid of ideas and devoid of action. What do we have to fill the vacuum? We find an emotional issue placed before this country, an issue that can do nothing but damage to the unity of the country, instead of having action in the field of agriculture and other fields.

This party has done everything in its power to see that the flag issue would not come before this house until action was taken in fields such as agriculture, would not come before this house in a political partisan way—which seems to be the ultimate objective of the government—would not come before this house at a time when this nation can ill afford the type of emanations that are developing throughout Canada from people who are not yet ready, I submit, to make a firm decision on a distinctive national flag that will be acceptable in all parts of the country.

Mr. Choquette: Are you against the flag?

Mr. Coates: I am against the design you put forward.

Mr. Deputy Speaker: Order. I hesitate to interrupt the hon. member. I think the Chair has been somewhat lenient toward him in allowing him to say a few words about the subject he has brought to the attention of the house, but I would entreat him, now, to return to the subject matter which is now before us.

[Mr. Coates.]

An hon. Member: Agriculture.

Mr. Coates: Well, I do not pretend to be the great authority on agriculture that the hon. member may be, but at least I happen to be standing on my feet in the House of Commons and he happens to be sitting in his place, as he has been doing all through this debate. At least I am making an effort to put forward a contribution which will be of some assistance to farmers and to those associated with agriculture in eastern Canada.

I go back to 1962, to the election campaign of that year, and in particular to a meeting which was attended by my hon. friend from Qu'Appelle (Mr. Hamilton) who was then minister of agriculture. He spoke in my constituency and at that time he outlined a six point program for agriculture in eastern Canada. During that meeting my hon. friend read from the statements he made in western Canada. Those statements were the same as the statements he made in eastern Canada. He was a minister who had a good appreciation of the problems of agriculture across this country. At that time he said our government would go forward and take special steps to correct the inequities which could not be overcome by national legislation. He told the people of eastern Canada what he was endeavouring to do as minister of agriculture and as a member of the Progressive Conservative government to correct the inequities which needed to be corrected if agriculture in eastern Canada was to have a healthy future.

After the election campaign we came back to Ottawa as the party forming the government, and among the statements contained in the speech from the throne presented to that new parliament was the following:

> The prosperity of agriculture remains essential to the well-being of the entire Canadian economy. Canada is blessed this year with very large crops of good quality, and export markets for Canadian agricultural products have been very greatly enlarged.
>
> My ministers recognize that livestock is occupying a position of increasing importance in Canadian agriculture. They propose that a program be instituted to ensure the availability of storage facilities and continuity of supplies of feed grain to match the expanding requirements for livestock production, particularly in the areas of British Columbia and eastern Canada where supplies of feed grain are normally deficient.

Before that session ended—and it did not end because we asked that it should end, but because the combined opposition voted that parliament out of existence—the minister of agriculture had his legislation ready. He was ready to move, and move quickly, in an endeavour to eliminate the inequities which he knew existed in agriculture in eastern Canada.

Another election campaign ensued. The promises made during the 1962 campaign were reaffirmed. We were not re-elected as a government—

An hon. Member: Good.

Mr. Coates: —and that is a mighty sorry story for the people of eastern Canada. For what have we seen since? We have seen such fumbling and bumbling in agriculture as no one could ever have imagined. In this connection I wish to quote a few paragraphs from the April 9 edition of the *Family Herald* —an article written by Dave Suderman entitled: "Will Three Heads be Better than One"? Mr. Suderman writes:

> Speed is something that has been needed. It is still not clear what Mr. Pearson intends to do with the farm department. After a third cabinet measure—the second one cancelled the first—Mr. Sauvé now has responsibility for the Agricultural Rehabilitation and Development Act, the eastern feed grain program and the Maritime Marshland Rehabilitation Act—
>
> Undoubtedly this delay is partly the cause for the Liberals' faltering record in agriculture. Since they took office, not a single piece of farm legislation has been passed by parliament. The measures that have been taken were by cabinet orders in council and these were few in number.
>
> The dairy program is due for another overhaul at the end of April, but any changes are likely to be minor in view of the evident success of the program which is now in existence.

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

Mr. Coates: When I have finished speaking I will answer all the questions the hon. gentleman has to ask. The article continues:

> Stacked against these measures of relatively minor importance is the Liberal record in wheat sales which prevented the government's performance in agriculture from being viewed as a complete disaster.
>
> The Liberal record in agriculture was hardly helped by the legacies of the last two election campaigns. None of the Liberal farm planks have been adopted and many have been dropped. The two-dollar guarantee on wheat won few adherents in the west and was quickly and quietly buried. The promise of an east-west ministry of agriculture has also been dropped despite claims to the contrary. The proposal to make support payments on eggs quarterly and regionally was dropped. The promised feed grain program, which included subsidized loans to co-op built storages, also did not make its appearance. The school milk programs, improvements to the crop insurance program, expansion in farm credit facilities—all promises of the "63 campaign"—could show up in the present commons session.
>
> The three-way split in agriculture responsibilities opens the government to cross-examination by the opposition. When Mr. Hays was reported to be in opposition to a buying and selling feed grain board, questions were immediately directed at Mr. Sauvé and Prime Minister Pearson. Was Mr. Hays speaking for the government? Neither Mr. Sauvé nor Mr. Pearson was able to answer. Sources close to cabinet were equally unclear. Some said that Mr. Hays was obviously expressing government policies. Others, pointing to Mr. Sauvé's plans to study the question again, said there was no policy for or against such a board. Who is right?

Well, with regard to agriculture a great many people have asked that question ever since this government took office. Who knows what is going on in agriculture? Today we see one of the three ministers in his seat in the house. Where are the other two? Can we be certain that any statements which one of them may make will be corroborated by the other two. I, for one, had hoped that the Minister of Forestry (Mr. Sauvé) would be in his place today, in view of the fact that he recently made a tour of ARDA installations in the Atlantic provinces. I was hopeful he would make a statement so that we might have some idea of his future plans for ARDA in the maritime provinces.

But he is not here. We do not know whether we may accept what the Minister of Agriculture has to say with regard to ARDA in view of the fact that he no longer has responsibility for that program. But I will say this, Mr. Speaker, that never has there been a greater indication that one man should be responsible for our agricultural policies in this country than since this government took office. No one knows what the other fellow is doing. But we all know this, that the government are not doing very much, if anything, except marking time and throwing out smokescreens rather than providing policies, action and helpful measures which will be of benefit to agriculture.

Yesterday the hon. member for Qu'Appelle (Mr. Hamilton) put before the government a six-point program and asked them to give very serious consideration to it. I should like to add one specific item to the program of the hon. member for Qu'Appelle and I ask the government whether they would give consideration to it. I have a constituency which is one of the best grassed constituencies in Canada. We could be producing a great deal more livestock than is evident today. One of the problems we face is that while we have some very excellent farm operations in existence there are too many marginal farm operations and vacant farms which could be utilized in a very efficient manner if the right type of individual was operating them. I have noticed over the years that the Dutch immigrants who have come into this country and who occupy many of the farms in my constituency have made a tremendous success of their operation. I would hope that the Minister of Agriculture would urge the Minister of Citizenship and Immigration (Mr. Tremblay) to do his very best to see whether he could attract more Dutch immigrants to the maritimes to take over these vacant farms and once again make them operative.

Eastern Agricultural Assistance

Another of the problems which we encounter in my part of Canada is that a great many of the farmers are older men whose sons have grown up and probably secured a good or a satisfactory education; an education sufficient to allow them to go to the bigger cities, the bigger population areas of this country, and secure jobs in factories and things of that type. The situation we see is that no matter how much credit we might make available and no matter how lucrative we might make it for farmers to accept the credit available, they are not going to accept it because there is no one on the farm willing to assume the obligations, should illness befall the farmer who is presently operating it. In view of this I think it is most urgent that we try by every means possible to interest young boys to stay with their fathers or to secure adjoining farmland so that they will continue to have an interest in agriculture and in the unit their parents are operating. In this way it may be possible to enlarge our holdings and to enlarge the livestock capacity of the farm.

It may be of some interest to note that when I placed a question on the order paper and asked for information about which programs were being carried out in Cumberland in relation to ARDA, I was told that the only one which had been finalized was one associated with the Minudie community pasture. There is another area in my constituency which should, in my opinion, be developed into a community pasture. It has been suggested that the east Amherst marsh could be developed into a wholly different type of community pasture from the one at Minudie in that different farmers in the area could be apportioned a certain acreage in that community pasture, and made responsible for its use. It would be available to them as long as they indicated an interest in, and a desire to improve and to use, that land. I put out those two suggestions as ones which might assist in bettering economic prospects in my constituency.

Now I should like to refer to the speech of the hon. member for Nicolet-Yamaska (Mr. Vincent) and to ask the minister whether he would explain the very apparent differences in the prices of oats, wheat and barley which were paid for these products when the policy of assistance was announced on April 22, compared with the price which the farmers were paid for the same products in the latter part of September. If the minister will look at the figures he will find that there was a tremendous increase in the cost of these products to the producer. The western producer did not receive this increase; the eastern producer paid for it. Where did the money go? There can only be one answer: it went to someone other than the farmers in either eastern or western Canada. This was a state of affairs which the minister was supposed to eliminate by the policy he laid down in the order in council of August 22.

There has to be in my opinion a very substantial and determined program put forward by this government if it is to lift agriculture out of the doldrums it so evidently is in in the maritime provinces. There cannot be any piecemeal type of program. There has to be a concentrated program that touches every facet of agriculture. There is no evidence whatsoever, absolutely none, that this government is taking any substantial steps to do anything about our problems in eastern Canada in relation to agriculture or in relation to anything else. The hon. member for Queens (Mr. Macquarrie) today asked a question of the Minister of Labour. He was asking this question as the result of a statement the minister made in St. Catharines, Ontario, to the effect that the only hope of any unemployed Canadian of finding work is to move to another part of the country, and the fare would be made available by the government. We heard this a long time ago in the Gordon report, and now we hear it from a Nova Scotian. It does not make it any more palatable because it comes from a Nova Scotian. It is what we told the people in our area would happen if this party were elected to office.

Mr. Hays: Mr. Speaker, this has nothing to do with agriculture.

Mr. Coates: It has a great deal to do with agriculture, Mr. Speaker, because there is not any work on the farms and there is not any work anywhere else in the maritime provinces. This is because this government have refused time and time again to take any action of any kind related to the Atlantic provinces, and in fact have eliminated some of the work we did have in relation to their defence policies.

Mr. Speaker, I wish to conclude by reading a short editorial which appears in today's Ottawa *Journal*. I think it confirms what I have been saying regarding this government and the smokescreens it set up in place of action. This editorial is entitled "Blame is government's" and it says:

> Mr. Diefenbaker and Mr. Douglas, who do not often agree, co-operated for a moment in the Commons the other day. They proved that the Liberal government wants to blame others for its own mistakes.
>
> "Don't blame us for parliament being slow", the Liberals cry. "Blame the irresponsible opposition".
>
> But see, on the 64th day of the present session, the Prime Minister giving a long list of business the government hopes to get through, as he said,

"before summer". Mr. Pearson asked for co-operation and brought from Mr. Diefenbaker and Mr. Douglas the reasonable objection that they had to know where co-operation was required before they could give it.

Mr. Diefenbaker commented there was little on the order paper to guide the official opposition on the government program and Mr. Douglas added: "One of the ways in which the government can discharge its responsibility is to get some of this legislation on the order paper so that members will have an opportunity to study it".

It is only a year since Mr. Pearson's cabinet—called "a cabinet of all the talents" by Liberal enthusiasts—took office. It has shown a persistent and distressing inability to manage the legislative program efficiently. The responsibility for inefficiency is the government's.

I make the final plea to the Minister of Agriculture to try and give the type of leadership, the type of hope and inspiration to the farmers of eastern Canada that the hon. member for Qu'Appelle (Mr. Hamilton) gave them during the period in which he was minister of agriculture.

Mr. B. S. Beer (Parliamentary Secretary to Minister of Agriculture): Mr. Speaker, I welcome this opportunity to participate in the debate on the amendment to the supply motion proposed by the hon. member for Qu'Appelle (Mr. Hamilton). Since this is a debate I presume it is appropriate to discuss some of the statements that have been made by other hon. members in this house, and particularly those made by the proposer of this amendment. The hon. member for Qu'Appelle in his address yesterday started out by dealing with the flag and at one point mentioned that he was in favour of a distinctive flag, but that reference seems to have been completely deleted from the *Hansard* record. Then he went on to suggest that probably an election was imminent. Then further in his address he proceeded to attack the dominion bureau of statistics by making this remark:

Let those who disseminate information disseminate the truth and not this type of meaningless claptrap.

The hon. member for Qu'Appelle was referring, of course, to information on farm income made available by the dominion bureau of statistics, and I think it is ill becoming of any member in this house, and certainly of any former minister in this house, to castigate diligent and assiduous members of the civil service by referring to their work as claptrap. Therefore, Mr. Speaker, I want to come to the defence of the civil servants who prepare our statistics for us, and whose information is regarded as reliable at all times, by reading—

Mr. MacInnis: Mr. Speaker, would the hon. member permit a question?

Mr. Beer: —into the record this statement. It is quite evident that the hon. member for Qu'Appelle—

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

Mr. Beer: —does not look with favour on the farm income figures published by the dominion bureau of statistics, especially the cash income series and the so-called net income series.

Mr. MacInnis: On a question of privilege, Mr. Speaker, where in the remarks of the hon. member for Qu'Appelle (Mr. Hamilton) can the hon. member who is now speaking indicate that the former minister of agriculture referred to the civil servants as issuing any claptrap? The hon. member for Qu'Appelle may have referred to information sources, but he did not pinpoint any civil servants in his remarks.

Mr. Winch: Read *Hansard.*

The Acting Speaker (Mr. Batten): Order. I think it should be generally recognized that if, when an hon. member is speaking, he makes a statement to which some other hon. member objects, unless it refers to the hon. member personally it is not a point of privilege. If the hon. member for Cape Breton South (Mr. MacInnis) wishes to refute anything now being said, I am sure he will have an opportunity if he wants to take part in the debate.

Mr. MacInnis: I definitely refute the statement that has just been made by the hon. member in reference to the remarks of the hon. member for Qu'Appelle, the former minister of agriculture. No such remarks were made by him. If the rules of the house provide that I must accept what he says as factual, then only the rules provide that I should accept it. It is not because the hon. member is speaking the truth in this case at all; it is only because of the rules that I have to accept what he is now saying.

Mr. Aiken: On this point of order, Mr. Speaker—

Mr. Winch: Mr. Speaker, there is no point of order.

Mr. Aiken: —this question of privilege—I am sorry—I am sure the parliamentary secretary does not wish to misquote the hon. member for Qu'Appelle. If he will read page 3539 of *Hansard,* from which page I assume he is quoting, he will see that in the second column the hon. member for Qu'Appelle was referring to the statement of the minister when introducing his estimates, and he was not referring in any way to the dominion bureau of statistics. The paragraph to which I refer starts:

At this point I should like to go back and read the statement the minister made in introducing his estimates in this house on April 24, I believe, just about a month ago.

Then, as is reported in the last sentence of that paragraph, he said:

> Let those who disseminate information disseminate the truth and not this type of meaningless claptrap.

There is no point in setting up this man of straw and then knocking him down. I am sure the hon. member for Qu'Appelle had no intention of referring to the dominion bureau of statistics in this way, and he did not.

Mr. Beer: Mr. Speaker, I should probably put on the record a few more sentences from the remarks of the hon. member for Qu'Appelle, which I think will pretty well establish the intent. In addition to the passage I quoted a minute ago, the next paragraph begins as follows:

> What is the truth? Let me quote some figures that I think make sense. First of all, the Ethiopian in the woodpile in so far as these figures are concerned is the fact that they refer to net income. Net income is meaningless. It is the silliest sort of thing you ever saw, and I will illustrate that statement by dealing with the figures for the province of Saskatchewan.

I do not think there is any doubt in the minds of hon. members—

Mr. Vincent: What is he attacking there?

Mr. Beer: —that the intent of the statement was to imply that some of the material made available from the dominion bureau of statistics was unreliable.

Mr. Aiken: Mr. Speaker, surely to goodness the hon. member is not going to go on making that sort of statement. No such inference can be drawn from the statement he has just quoted. The hon. member for Qu'Appelle (Mr. Hamilton) was referring to the way in which statistics were used by the minister, and surely the parliamentary secretary will be gentleman enough to admit that.

Mr. Beer: Mr. Speaker, I will proceed with my statement and the house or you, sir, may judge whether I have been the least bit unfair.

Mr. Ricard: Mr. Speaker, I ask you to rule on this and request the hon. gentleman to withdraw his words. He has implied that the former minister was insulting the civil service.

The Acting Speaker (Mr. Batten): I must say again to the hon. member for St. Hyacinthe-Bagot (Mr. Ricard) that he may indeed disagree with the interpretation made by the parliamentary secretary but if he wishes to refute that statement he has the right to do so when he rises to speak. At the moment I do not think there is a question of privilege.

Mr. Ricard: Mr. Speaker, the rules of the house prevent any member from imputing intentions to another member that he does not have. It is on this basis that I am asking that the parliamentary secretary withdraw his affirmations.

The Acting Speaker (Mr. Batten): I think the parliamentary secretary is interpreting what was said but I do not think he has said anything that needs to be withdrawn.

Mr. Ricard: He has definitely said that the former minister of agriculture insulted the civil service. I was here and I did not hear the former minister of agriculture say anything that was an insult to our civil servants.

Mr. Beer: Mr. Speaker, I wish to thank you for your ruling. I regret that hon. members opposite are so sensitive on this particular point, but I did feel that in fairness to the civil servants, who are not able to speak for themselves, I should place this statement on the record.

An hon. Member: Is that a statement by you or by civil servants?

Mr. Beer: I also wish to state that I will take responsibility for the statement I am about to present. The hon. member for Qu'Appelle, however, by strong inference—

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

Mr. Beer: —favours the realized net income series—

Mr. MacInnis: Mr. Speaker, I raise a point of order which is one that should be raised more often in the house. I refer to the rule against the reading of speeches and I would appreciate it, Mr. Speaker, if you would rule on the point of order now.

The Acting Speaker (Mr. Batten): I have to agree with the hon. member for Cape Breton South and I hope that the parliamentary secretary, while referring to his notes if he needs to do so, will do his best to carry on without referring too much to them.

Mr. Aiken: He would do better without them.

Mr. Beer: I wish to thank the hon. member, of course, but as this is a very sensitive matter, as I want to be very careful in my presentation and as I am presenting a statement for which I take responsibility I prefer, with the indulgence of the house, to refer closely to my notes in order to be accurate. I do not wish to misquote the hon. member for Qu'Appelle in any particular way.

I repeat that the hon. member for Qu'Appelle, however, by strong inference, favours

the realized net income series which, by the way, is also published by the dominion bureau of statistics. One does not have to look very far—

Mr. MacInnis: Further on the same point of order, Mr. Speaker—

Mr. Beer: —to realize why the hon. member finds the cash income receipts unpalatable to him.

Mr. MacInnis: On the point of order, Mr. Speaker, it was called to the hon. member's attention that he was breaking the rules of the house by reading his statement and he said he would prefer to stick closely to his notes, but he is drawing nothing but inferences from these notes. If he is going to refer to notes and refer also to what the former minister of agriculture has said in the house he must quote the minister and he cannot read from a prepared statement and draw inferences. If he wishes to say something with regard to what the former minister has said he must quote him. If he is not going to quote him, why does he not put his notes away and have some regard for the rules which do not permit him to read from a prepared text?

The Acting Speaker (Mr. Batten): Order. I think the hon. member recognizes that we hope all members of the house will make their own speeches, but at times it is necessary for them to refer to their notes.

Mr. Peters: These are somebody else's notes; they are not his.

The Acting Speaker (Mr. Batten): I would hope that the hon. member who is now speaking will not refer to his notes any more than is absolutely necessary.

Mr. Beer: Thank you, Mr. Speaker. I will endeavour not to refer to my notes any more than is absolutely necessary. I mentioned that the realized net income figures were more compatible to the hon. member. The cash income figures show an increase and are at an all time high. He quibbles about a small variation of .1 per cent in the increase between 1962 and 1963, that is, 2.2 compared with 2.1. Surely he must realize that the preliminary provincial totals were published in February and the final in May when further information for the year 1963 had become available.

In the report on cash income, No. 21-001, published on May 22 it was pointed out that the net income report would be published in about two weeks time. This net income report, as is the case each year, will present figures on realized net income and total net income from farming operations. An advanced preliminary statement for net income only was published in February.

The hon. member for Qu'Appelle drew particular attention to the net income figures indicating the wide variation between the year 1961 and 1963 in net income and comparisons of net with the realized net series. I am sure he is fully aware that the realized net income series does not take into account inventory changes. He also knows that Saskatchewan had a poor crop in 1961. Cash receipts and realized income levels were fairly well maintained because farmers sold accumulated carryovers of grain from previous crop years. The inventory adjustment, however, was quite large and therefore caused a sharp decline in the figure for total net income.

A word about these series. It will be apparent that the choice of one or the other will depend in large measure on the use or abuse to which people wish to put them. Series like these are produced by the United States and most developed nations of the world. Underdeveloped countries include them in their pressing need for statistical data.

As the hon. member for Qu'Appelle completed his address he referred to eastern agriculture and his amendment is based on the failure of the government to do anything about the problems of eastern agriculture. I want to thank him for being so charitable as to refer to this particular subject, because if we had been choosing a subject to suggest to the opposition as one on which they should propose a motion of non-confidence we would have suggested the program of the government with regard to eastern agriculture.

Some reference has been made to the needs of eastern agriculture. I think I am safe in saying that no group could be more sensitive to the needs of eastern agriculture than the present government. It was this particular sensitivity to the needs that caused the government and the Prime Minister (Mr. Pearson) to propose that a special minister, who would assume responsibility for ARDA and for some aspects of eastern agriculture, should be appointed. I am happy to say that the Minister of Forestry (Mr. Sauvé) has now visited every province in the country. He is currently visiting the prairie provinces. He was in Manitoba last night, is in Edmonton today and will be in Regina tomorrow.

The purpose of these visits is to ascertain the peculiar needs of the provinces with regard to rural development, and to assess the ways in which our ARDA program may be adapted to those respective provinces. It is the expectation of the minister, after this appraisal has been made, that amendments to the policy may be necessary. These will be presented in this house and the program

will be proceeded with in order to meet the various needs of the provinces within this country.

It has been suggested that this government has not done anything for eastern agriculture. I suppose it would be reasonable to say that we must have a starting point, a point at which we commence to make our comparisons. I suppose such a date would be April 22 when this government assumed office. We all recall that within hours after assuming office a new dairy policy for Canada was put into effect. We all, of course, remember with some displeasure the mounting butter surplus which existed prior to April 22. We also know that there were substantial demands for cheese, for which we were not able to supply a suitable product. It was the opinion of the government, therefore, that there should be a new emphasis placed on the production of cheese and a declining emphasis placed on the production of butter. This was done within hours of this government's taking office.

I believe that today the minister indicated the extent to which this policy has been successful. For the first time since 1956, the production of butter and the consumption of butter are in line. As a matter of fact, there has been a deficit in production as compared with consumption. In addition, our cheese production is up approximately 18 per cent. I believe that if this government had done nothing else but institute the dairy policy that was instituted within hours after taking office, this would be a very commendable approach to agriculture problems in eastern Canada.

Then, too, it has been suggested nothing has been done, but within a few weeks of taking office a new feed grain policy was announced. This policy has done several things. It has assured eastern users of a constant supply of grain at all times. As a result, there has been an adequate supply of grain at all times through the winter which has resulted in a uniformity in price.

The minister referred to some of our livestock improvement works. He mentioned the r.o.p. policy in connection with dairy cattle. I should like to make some comparisons here because it is only by comparison we are able to indicate the extent to which this government is meeting the needs of eastern agriculture. When this government assumed office, as indicated by the minister, there were some 115 dairy farmers in Canada waiting to be accepted on r.o.p. lists. Within days, or within a very few weeks, the necessary provisions were made to enable these farmers to be serviced, and this program was put into full effect.

[Mr. Beer.]

This is a worth-while policy. Canada is noted the world over for the excellence of her dairy cattle. This reputation has been built up over a substantial number of years as a result of careful selection based partly on the r.o.p. program. The former government, in the name of austerity, had issued a letter indicating that it was going to be necessary to cut down on this essential service to farmers and they would not be able to accept applications as they came in. The result was that, in order to save an estimated $250,000, this valuable service to farmers which has over the years kept the excellence of our dairy cattle at a very high level, was held in abeyance. This government immediately took action to institute a policy which has given a real lift to our r.o.p. program in this country.

Immediately after taking office the government dispatched a team of experts to Europe to study the swine industry for the purpose of discovering better methods of production, better techniques in feeding, and to bring back a report to this country. The recommendations of that team will be put into effect in a swine improvement policy for this country.

Within a short time of taking office, a new veterinary college was established in western Canada which will result in a general improvement in the health standards of our livestock. This, I believe, is a very commendable step. The minister mentioned the action that had been taken with regard to water policies and indicated that more had been undertaken since this government assumed office than had been undertaken for a number of years prior.

The hon. member for Nicolet-Yamaska (Mr. Vincent) suggested that this government has not fulfilled its mandate from the people. I want to suggest that in one year of administration you do not expect to be able to fulfil the mandate from the people. After all, this government has only been in power for one year and I have outlined a notable list of accomplishments that have been achieved by it. How can anyone ask the question, what has been done, when these things are obvious and are working to our mutual advantage?

Then, the Department of Agriculture has additional responsibilities. Not only is it concerned with the operation of these various policies which tend to keep the farmers solvent and agriculture in balance, but in addition the department has substantial responsibilities in connection with promoting research in order to improve our agriculture, in order that agriculture may better serve the farmers and provide better food at reasonable prices for the consuming public. I should like again to refer rather closely to the notes I

have before me in elaborating on a research program which will be proceeded with by this government.

The Canada Department of Agriculture seriously entered research with the establishment of five regional experimental farms in 1866. The primary task was to introduce the best of European agriculture in terms of plants and animals, select those best adapted to our conditions and learn how to manage them. Over the years, as our knowledge of our climate and soil has increased, more and more time has been devoted to developments specifically to meet Canadian conditions.

In so far as soils are concerned, for instance, originally we made progress, for example, in connection with fertility on a trial and error basis. Gradually we are learning more and more about our soils, their nature, their fertility, their response to drainage and irrigation. Today we are achieving some independence of soil through our ability to define its limitations in terms of the requirements of a particular crop and to manage it and supplement its fertility to provide an optimum medium for the crop. As our knowledge and understanding of our soils and of the nutrient requirements of each specific crop increase, we will come nearer and nearer to achieving independence from the soil. In other words, we will be able to manage the soil in such a way that it will not be a limiting factor in crop production. Unfortunately we cannot hope to achieve such control over temperature although we are making good progress towards ensuring adequate moisture.

With regard to plants, in the beginning we depended on varieties developed for conditions other than our own and were limited to selecting those which did best under Canadian conditions. Farmers paid little if any attention to variety, because oats were oats and timothy was timothy. Since we developed Marquis wheat specifically for our Canadian prairies we have gone ahead until today we have many varieties of cereals, forages and horticultural crops developed in Canada to meet the specific requirements of the farmer in a specific delineated area.

Each province makes annual variety recommendations on the basis of varieties tailored to its conditions. Farmers do not plant wheat, or timothy or alfalfa. They make their selections on the basis of specific recommended varieties. Tomorrow we will know much more about the requirements of specific crops in terms of light, of heat, of water, of nutrients and about the genetic make-up of plants in relation to the physiological response to environment and disease. The plant breeder will thus have the knowledge about tailor-made varieties by direct selection of the genetic material which will carry the desired characters.

With regard to animals, in the early days we brought in European breeds of livestock and fed them on the feeds readily available on individual farms. There was no measure of efficiency in terms such as feed/grain ratios or profit factors. Through research we are gradually defining the nutrient requirements of stock for each stage of growth and production. We are developing techniques for evaluating and describing feedstuffs in terms of what they will contribute toward these nutrient requirements. Today, our feed manufacturers and our farmers have been given considerable information for use in planning rations which will come close to exploiting the potential of a particular class of stock for growth or production. This information permits them to substitute individual ration components on a basis of current market prices and still meet nutrient requirements.

Today we are starting to accumulate new information on the profit factor in feeding high energy rations to meat and production classes of livestock, and are learning something about increasing the economy of maintaining and housing breeding herds and young stock prior to coming into production.

Mr. Nasserden: Would the hon. member tell us what document he is quoting from?

Mr. Beer: I beg your pardon?

Mr. Nasserden: I wonder would you tell us what document you are quoting from?

Mr. Beer: I am quoting from a statement that I have prepared. If the hon. member for Rosthern (Mr. Nasserden) were to present statements such as this it might not be necessary to name the source.

Our studies on non-pathological diseases such as bloat, acetonemia, and urinary calculi are giving or will give the anwers we need in devising management and feeding practices which will eliminate these conditions. We are approaching the day when all breeding stock will be selected on the basis of performance in terms of both quality of product and economy of production.

Crop protection will probably interest the hon. member for Rosthern. Developments in agriculture have increased and will continue to increase the numbers of pests affecting our domestic crops and animals and their significance in terms of economic losses. This introduces an increasing hazard and degree of gamble into the farmers' operation which can only be eliminated by control of pests, whether insects, diseases or weeds.

Much of our research has gone into understanding the nature and habits of pests and devising control programs. The control programs have developed to the point where, for example, we can ensure a scab-free apple, or that an epidemic of grasshoppers will not eliminate the cereal or forage crop.

We have a big job ahead of us if we are going to continue to place quality products in the consumer's basket, protect the farmer from wide fluctuations in his income, and at the same time ensure that we do not build up harmful residues in our soils or exceed residue tolerances for pesticides in the consumer diet. Not the least of the problems is the development of resistance in pests to control agents. Thus, we are and will be engaged in controlling pests through breeding resistance into our crops, by introducing biological control agents, by the genetic introduction into the pest of factors limiting the increase of the species, and by developing chemicals more specific to the pests and less hazardous to warm blooded animals such as ourselves.

It is the opinion of the minister and the government that our research stations should be set up in such a way that they will meet the immediate needs of the farmers in the areas which they are intended to serve, and a substantial approach has been made in this general direction.

I think, Mr. Speaker, the following statement should also be read into the record from the statement by the hon. member for Qu'Appelle.

> I could go through the list of the provinces, but let me just leave this one figure with you; that in all the provinces of Canada, with the exception of two, realized farm income went down last year, and those two provinces do not include Saskatchewan and Alberta.

These are the words used by the hon. member for Qu'Appelle yesterday.

> We went down too, but we know why we went down and we will correct that. I give those figures because this is the truth and not this meaningless gibberish that comes from the d.b.s.—

I believe that that corroborates the statement which I made earlier, that the hon. member for Qu'Appelle had undertaken to speak disparagingly of the work of the d.b.s. upon which we have relied with great confidence for a great number of years. So, Mr. Speaker, I conclude my remarks by expressing my own personal confidence that it will be the wish of the house that the amendment, as presented by the hon. member for Qu'Appelle, will be defeated.

Mr. H. A. Olson (Medicine Hat): Mr. Speaker, the amendment to the supply motion that is before the house reads:

[Mr. Beer.]

> This house regrets the continuing failure of the government to take effective action with regard to the pressing agricultural problems of eastern Canada.

We in this party agree that there are some pressing problems with which the government should come to grips, with respect to agricultural problems in eastern Canada, but I think the speech made by the mover of the amendment, the hon. member for Qu'Appelle (Mr. Hamilton) was a condemnation of the policies that he and his government followed during the years they were in office.

I say that in spite of the fact that the hon. member has continuously—and he did it again yesterday—suggested that he is tired hearing members say, "Well, what did you do when you were in office"? If we look at the speech he made, pointing out some of the problems of the farmers and of the whole agricultural industry in eastern Canada, we can agree that there is some validity to what he said. He even took the trouble to have included in the *Hansard* record a couple of charts which made it clear that during the year 1963 there was a decided drop in the realized net income of farmers all over Canada as compared with the year before. Surely, if anyone must accept responsibility for a decline in agricultural realized net income during the year 1963, it must be the government which was in power during the period just preceding that decline. After all, the government we have today did not come to office until some time in April, four months after the year had started, and even if they had had a completely new agricultural policy to implement at that time—and I do not think they had one—it would be almost ridiculous to expect that the fruits of such a policy could have been realized during the fiscal year 1963.

So, while I agree with the hon. member for Cumberland (Mr. Coates) when he says that the agricultural policy of the present government is found wanting, I believe such a statement applies with even greater force to the previous government when we think of its performance in relation to the amendment before the house today. If there is any suggestion in this amendment that the present government is failing in relation to what the previous government did in the same realm of policy, then we have surely reached a new low in substance as far as amendments to these supply motions are concerned.

The hon. member for Bow River (Mr. Woolliams) complained that the present government did not tackle the question of expanding facilities for carrying grain into export position fast enough. This suggestion is certainly not borne out in face of the fact that more grain has been moved into export

position, using the facilities we have now, than at any time in our history. The same hon. member wanted to take credit on behalf of the Progressive Conservative party for all of the wheat sales which have been made, not only to China but also to Russia and other places as well.

Some hon. Members: Hear, hear.

Mr. Olson: While the Conservatives are cheering I should like to point out to them that in this context they apparently did not believe in themselves. If they felt sales of this kind were likely to continue in the future they should have had sufficient confidence in themselves and in this policy to begin, at least, to expand the facilities needed to move grain into export position. The Liberal government, bad as it may be, even if its plans had been ready for expanding terminal facilities and improving rail facilities the day it took office, could not reasonably have been expected to push this construction work forward to completion by this date. So it seems to me hon. members to my right want to have it both ways.

There has been a significant expansion in sales and shipments of grain from western Canada, I agree. But I think we ought to recognize where the credit should lie. In my opinion it belongs to the Canadian wheat board, both while the Conservatives were in office and now while the Liberals are in office. I think the board has done a remarkable job, considering the railway facilities and terminal space we have, in getting these enormously expanded amounts of grain into export position.

The hon. member for Bow River (Mr. Woolliams) suggested we could have sold 200 million bushels more if we had had facilities to deliver the grain. I cannot think of any statement which is more critical of the policy of the hon. member's own government when it was in office. If there was a potential for sales of this magnitude and if his government had foreseen it, surely it should have accepted the responsibility for at least beginning to expand the facilities needed to enable us to sell 200 million bushels of grain in addition to the tonnage already supplied. Well, the hon. member and his friends may try to keep up this contention that these sales are the result of some action which the Conservative government took, but it seems to me this is a doubtful crutch on which to be leaning at this time. The Canadian wheat board, it seems to me, has done a fairly good job of selling grain under both governments. Let us not confuse the issue. Let us put both the responsibility and the credit where it belongs.

The hon. member for Cumberland said the former minister of agriculture had a complete policy ready and that he announced it to the people of eastern Canada, particularly in the maritimes, during the 1962 election campaign. Well, that is nice, if it is the case. I have never seen it. It is true there have been a lot of words, a lot of platitudes about what would be desirable. But we know from experience the lack of action we encountered when it came to implementing the ARDA legislation. We had all these policies and all these platitudes embodied in an act which was supposed to solve all the problems of agriculture in Canada. This act was passed in 1961. It was late in 1963 before the province of Alberta could get the government which passed this legislation to agree to one project. If that is the kind of program with which the hon. gentleman went to the maritimes, it is no wonder the people there rejected it. What the member for Cumberland failed to realize is this: No matter how good the words might have sounded in the election campaign, the people had reached the stage where they no longer believed them.

Some hon. Members: Six o'clock.

BUSINESS OF THE HOUSE

The Acting Speaker (Mr. Batten): It is my duty, pursuant to provisional standing order 39A, to inform the house that the questions to be raised at ten o'clock this day are as follows: the hon. member for Dorchester: basis for figures respecting the number of unemployed; the hon. member for Bow River: continuation of policy respecting oil exports; the hon. member for Lotbinière: disposal of radar station equipment.

It being six o'clock I do now leave the chair.

At six o'clock the house took recess.

AFTER RECESS

The house resumed at 8 p.m.

SUPPLY

The house resumed consideration of the motion of Mr. Gordon for committee of supply, and the amendment thereto of Mr. Hamilton.

LACK OF ACTION TO ASSIST EASTERN AGRICULTURE

Mr. Olson: Mr. Speaker, when the house rose at six o'clock I was discussing the amendment under consideration and the fact that

the hon. member for Qu'Appelle (Mr. Hamilton) had in his supporting speech satisfactorily condemned the policies, practices and actions of the government in which he was minister of agriculture. Looking at some of the suggestions which have been made by the mover of the amendment before the house and relating them to what is contained in the amendment, we find that this is the position. As reported at page 3543 of *Hansard* the former minister of agriculture said that the number one pressing problem is for a feed grain policy for the farmers in eastern Canada.

I think it is fair to say that all members of this house agree that this is a pressing problem. I think it is also fair to say that this problem did not spring up overnight. I was a member of the committee on agriculture and colonization which sat during the last session and I am rather proud of the manner in which that committee conducted itself. They called in witnesses from the organizations representing the grain producers of western Canada. They followed this up with calling witnesses from the board of grain commissioners, from the Canadian wheat board, right through to the feedgrain purchaser in eastern Canada. There were discussions with the shipping companies which carry the grain from the lakehead to the terminals along the St. Lawrence river. The committee also called witnesses from the primary and secondary distributors in eastern Canada. I know of no other time when such an exhaustive review was conducted into the matter of feed grain policy in eastern Canada. I am not prepared to say that the committee came forth with any suggestions which would immediately solve the problem. However, the hon. member for Qu'Appelle said that this was the most pressing problem facing the farmers in eastern Canada at the present time. If that is true it must certainly be a reflection on the agricultural policies of the government which held office during the years immediately preceding this date.

In addition to that the hon. member who moved the amendment said that we need some sort of pasture policy to get increased production off the grass in eastern Canada, a statement with which I could not agree more. But we also know if we want to be reasonable, that to reach a position where you have some beneficial results from a policy to increase production from grass, whether it be in eastern Canada or anywhere else, this policy has to be in effect for a number of years.

The hon. member also pointed out that we need water policies for the eastern provinces, something similar to the P.F.R.A. and the programs which apply to the west. I can turn my memory back a number of years when the P.F.R.A. first came into being, and I say to you, Mr. Speaker, that not just one or two years went by, but a matter of 10 to 15 years went by before a substantially beneficial result took place from the water policy established in western Canada under P.F.R.A.

The hon. member also went on to say that we need a livestock policy in the country, making particular reference to the east. Here again we agree that this is true. But we also have to return to the same argument, that a livestock policy would require a number of years before there would be beneficial results.

The hon. member also said that we need a national dairy policy. I and the members of this party do not believe that the policy respecting the dairy industry in Canada today is completely satisfactory. But I think we will have to agree that it has improved substantially during the last few months.

Mr. Hamilton: You are really doing a salvage job for the new government.

Mr. Olson: The hon. member for Qu'Appelle says I am doing a salvage job for the government. My main interest in this amendment and the vote immediately before me is—

Mr. Diefenbaker: Personal survival.

Mr. Olson: —that we in this parliament have an obligation to the Canadian people as a whole, and what the country wants most from this parliament is some stability in the administration of their affairs. While we appreciate the problems of the eastern farmers, an election at this time is not going to solve those problems.

Some hon. Members: Oh, oh.

Mr. Olson: The Progressive Conservative members are babbling away again. They do not like to face these facts. Those same members have introduced want of confidence motions urging the abolition of sales tax, motions having to do with family allowances, water resources and a number of other matters. Every member of this house knows, and most of the people are beginning to learn, that supporting amendments to a supply motion, no matter what the wording, does not have the effect of solving the problems embodied in the literal definition of the particular amendment.

Mr. MacInnis: Would the hon. member permit one short question?

Mr. Olson: Sit down and be quiet; your party have had plenty of opportunity to speak.

There are problems of unity and other matters before the country at this time, and I am sure that if we were to support this amendment tonight and thus plunge the country into another election at this stage the wording of this amendment would be lost in the minds of its supporters before the election campaign was two weeks old.

An hon. Member: That's for sure.

Mr. Olson: Someone for the Conservatives says "Yes, that's for sure". I think that that reveals the intent of the party which has moved this amendment. They are not interested in the problems of the eastern farmers. They are just using this occasion—

Mr. Danforth: You are not either.

Mr. Olson: They are using this tragic problem on this occasion to base an amendment to a supply motion to further what they think might help their own political purposes, if they can fool the rest of the members in this house into supporting them.

Mr. Danforth: Why don't you move over?

Mr. Olson: Mr. Speaker, we hear the same old babble—"Why don't you move over?

Some hon. Members: Why don't you?

Mr. Olson: Let me say to the members over here that I have travelled back and forth across this country several times and have talked with the people in my own constituency; and, by the way, there are almost as many Conservatives there as there are supporters of any party. People in that constituency have told me repeatedly—

Mr. Woolliams: Mr. Speaker, would the hon. member answer a question?

Some hon. Members: Sit down.

Mr. Dupuis: We hear enough of you.

Mr. Speaker: Order.

Mr. Olson: I know, Mr. Speaker, that members of the Progressive Conservative party get a little incensed when they hear some of the truth, when they hear some of the facts of life.

Some hon. Members: Oh, oh.

Mr. Olson: They get a little disturbed. I was about to tell them that there are a large number of people in my constituency who have supported the Progressive Conservative party in the past few years, and I will tell hon. members this—

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

Mr. Olson: —that even those people—

Mr. Speaker: Order. The hon. member for Cape Breton South (Mr. MacInnis) is rising on a point of order.

Mr. MacInnis: I raise a point of order at this moment, Mr. Speaker, to clarify my own position in this house and my duty as a member of parliament. I think this question should be cleared up, and the only person who can clear it up is the hon. member who is now speaking. I would ask that the hon. member explain his remark of a few moments ago when he said—

Some hon. Members: Order.

Mr. MacInnis: —"We in this cabinet". I would like the hon. member to explain the remark, "We in this cabinet".

Mr. Olson: Mr. Speaker, I know hon. members to my right do not like to hear these things.

Some hon. Members: Oh, oh.

An hon. Member: Time.

Mr. Olson: I wish I could hear some of these snide remarks. These people in my constituency who have supported the Conservative party have said to me on a number of occasions that they appreciate the fact that the Social Credit party in this house have provided the measure of stability that they want—

Some hon. Members: Oh, oh.

Mr. Olson: —in the administration of their affairs. So—

Some hon. Members: Question.

Mr. Olson: Mr. Speaker, if I could have the attention of my hon. friends for a moment, I would tell them something they can think over for a day or two. It might help them.

Some hon. Members: Question.

Mr. Olson: In conclusion, Mr. Speaker, let me say that I think it is time for all hon. members of this house to comply with the wishes of the vast majority of the Canadian people. Those wishes are that this parliament should conduct itself in such a way that would restore to our national administration a measure of both dignity and stability.

Some hon. Members: Hear, hear.

Mr. Dupuis: Very good.

Mr. Speaker: Order. It being eight fifteen o'clock p.m., it is my duty, pursuant to section 4(d) of standing order 56, to interrupt these proceedings and put forth with the question on any amendment now before the house.

Division

The house divided on the amendment (Mr. Hamilton) which was negatived on the following division:

YEAS

Messrs:

Aiken
Alkenbrack
Balcer
Baldwin
Barnett
Beaulé
Bélanger
Bell
Bigg
Boutin
Brewin
Cadieu (Meadow Lake)
Cardiff
Casselman, Mrs.
Chatterton
Churchill
Clancy
Coates
Cooper
Crouse
Danforth
Diefenbaker
Dinsdale
Dionne
Doucett
Douglas
Enns
Fairweather
Fane
Fisher
Fleming (Okanagan-Revelstoke)
Flemming (Victoria-Carleton)
Forbes
Gauthier
Girouard
Grafftey
Grégoire
Gundlock
Hales
Hamilton
Harkness
Herridge
Horner (Acadia)
Horner (Jasper-Edson)
Horner (The Battlefords)
Howe (Hamilton South)
Howe (Wellington-Huron)
Irvine
Jorgenson
Kennedy
Kindt
Knowles
Lamb
Lambert
Langlois
Laprise
Latulippe
Loney
MacEwan
MacInnis
MacLean (Queens)
Macquarrie
MacRae
McBain
McCutcheon
McIntosh
Madill
Mandziuk
Martin (Timmins)
Martineau
Mather
Millar
Monteith
Moore
More
Muir (Cape Breton North and Victoria)
Muir (Lisgar)
Nasserden
Nesbitt
Nielsen
Noble
Nowlan
Nugent
Orlikow
Ormiston
Pascoe
Paul
Peters
Pigeon
Plourde
Pugh
Rapp
Ricard
Rondeau
Rynard
Simpson
Skoreyko
Smallwood
Southam
Starr
Stefanson
Stenson
Thomas
Valade
Vincent
Watson (Assiniboia)
Webb
Webster
Weichel
Willoughby
Winkler
Woolliams—112.

NAYS

Messrs:

Addison
Armstrong
Asselin (Notre Dame de Grâce)
Asselin (Richmond-Wolfe)
Badanai
Basford
Batten
Béchard
Beer
Benidickson
Benson
Berger
Blouin
Boulanger
Brown
Byrne
Cadieux (Terrebonne)
Cameron (High Park)
Cantin
Cardin
Caron
Carter
Cashin
Chapdelaine
Choquette
Chrétien
Côté (Chicoutimi)
Côté (Longueuil)
Cowan
Crossman
Cyr
Davis
Deachman
Deschatelets
Drouin
Drury
Dubé
Dupuis
Émard
Éthier
Eudes
Favreau
Forest
Forgie
Foy
Francis
Frenette
Gelber
Gendron
Godin
Granger
Gray
Greene
Groos
Guay
Habel
Hahn
Haidasz
Harley
Hays
Hellyer
Honey
Howard
Jewett, Miss
Kelly
Klein
Konantz, Mrs.
Lachance
LaMarsh, Miss
Lamoureux
Laniel
Leblanc
Leboe
Lessard (Lake St. John)
Lessard (St. Henry)
Lloyd
Loiselle
Macaluso
Macdonald
MacEachen
Mackasey
MacNaught
McIlraith
McLean (Charlotte)
McMillan
McNulty
McWilliam
Martin (Essex East)
Matheson
Matte
Mitchell
Moreau
Morison
Mullally
Munro
Nicholson
Nixon
O'Keefe
Olson
Otto
Patterson
Pennell
Pepin
Pickersgill
Pilon
Prud'homme
Regan
Richard
Rideout
Rinfret
Robichaud
Rochon
Rock
Rouleau
Roxburgh
Ryan
Sharp
Stewart
Tardif
Teillet
Temple
Thompson
Tremblay
Tucker
Turner
Wahn
Walker
Watson (Chateauguay-Huntingdon-Laprairie)
Whelan
Winch—130.

Mr. Speaker: I declare the amendment lost. Are there any pairs to be declared?

CANADIAN BROADCASTING CORPORATION—ALLEGED GOVERNMENT INTERFERENCE

Mr. Erik Nielsen (Yukon): Mr. Speaker, I wish to raise a grievance this evening that concerns several cabinet ministers and, so that they will not be held in suspense as they may wish to stay and hear what I have to say in regard to them, I shall name them immediately: the Minister of Finance (Mr. Gordon), the Secretary of State for External Affairs (Mr. Martin), the Minister of Labour

(Mr. MacEachen) and of course the Prime Minister (Mr. Pearson), and I am very sorry not to see him in his seat tonight.

But I am sure that hon. members opposite will be very interested to listen to the subject matter of my grievance, if they will contain themselves for a moment in patience.

Mr. Speaker: Order please. I cannot hear the hon. member.

Mr. Nielsen: Thank you, Mr. Speaker. I am very glad that you are endeavouring to assist me in suppressing the catcalls of the hon. members opposite. I know they do not like to hear these criticisms of government inactions and actions in their last year in office, but I am afraid this is one they are going to have to stomach.

This grievance concerns the unwarranted and blatant interference by cabinet ministers with a crown corporation which has been set up to operate independently of government for a very good purpose. I refer, sir, to the activities of the Canadian Broadcasting Corporation system. In the last few months we have had more cabinet interference, by cabinet ministers and by the Prime Minister, with the independent actions of the C.B.C. than ever before in Canada's history.

All of these actions on the part of cabinet ministers are beginning to form a pattern, and we can start back as far as April, 1964 when the Minister of Transport (Mr. Pickersgill) made a speech to the Canadian Association of Broadcasters at a meeting in Quebec city. At that time he advocated certain propositions which would have the effect of bringing the C.B.C. under the complete suppression and control of the cabinet. I believe that at that time the Minister of Transport was responsible to parliament for reporting for the C.B.C.

Mr. Pickersgill: Will the hon. gentleman favour us by giving the date he is referring to?

Mr. Nielsen: I will be very happy, sir. I am quoting from an article in the Toronto *Globe and Mail* of April 10, 1964, by Dennis Braithwaite.

Hon. J. W. Pickersgill (Minister of Transport): Mr. Speaker, I know the hon. gentleman with his passion for accuracy would not want to get anything wrong. I had at that stage no connection whatever, except as a member of the government, with the C.B.C., and the channel of communication was the Secretary of State, who had not been myself since February 3.

Moreover, sir, I do not regard Mr. Dennis Braithwaite as the authority on what I may have said. I issued an official text—

An hon. Member: Do you deny it?

Mr. Pickersgill: I deny that anything except the official text should be quoted as the text of anything that I said. Moreover, sir, to continue my question of privilege, the hon. gentleman made a great deal about my interference with the C.B.C. on a previous occasion and he was too chicken—and so were hon. gentlemen opposite—to move a vote of want of confidence on it when they had the chance.

Mr. Nielsen: The Minister of Transport has mentioned chickens. I think he is an expert because it takes one to know one. Further, I think that all of these chickens should be brought home to roost and I am sure hon. members opposite will be interested, despite the minister's pious denials of what he might have said at the Montreal meeting—

Mr. Pickersgill: It wasn't at Montreal.

Mr. Nielsen: —in hearing what Mr. Braithwaite had to say. While the minister, in all his professed innocence, denies any channels of communication with the C.B.C., this is very difficult for us to accept on this side of the house because I can remember, as many of us can, the manner in which he imposed himself upon the C.B.C. when he, in a snit, went to the C.B.C. after he failed to announce his air policy in this house. He then, sir, went along to the C.B.C. in a great pique—as the leader of the New Democratic party described it at that time, Pick in a pique—and insisted on announcing his air policy over a national network to reach all Canadians when he was, as he put it, frustrated from announcing it in this house; but that was not the case and I will have a thing or two to say about that in a moment.

This is what the *Globe and Mail* said about the minister's announcement, and if there was a portfolio of culture in this house—and I am sorry the minister is not in his seat—if there was such a portfolio, the Secretary of State himself would be the person to hold it, since this involves that very feature of national affairs.

This is the way the *Globe and Mail* printed it up. Mr. Braithwaite said with respect to the speech made by the Minister of Transport in Montreal:

If broadcasting—

Mr. Pickersgill: I made no speech in Montreal.

Mr. Nielsen:

If broadcasting is, indeed, a part of the press and therefore utterly free, does it need guidance? Has any cabinet minister the right to erect guideposts?

He is referring here to the guideposts, so-called, that the Minister of Transport urged should be set up.

Mr. Pickersgill: Mr. Speaker, I am constrained to rise again on a question of privilege. I made no speech in Montreal at all, and the rest of what the hon. gentleman is reading is just as accurate as that.

Mr. Nielsen: Well, now, sir, I must confess that I mistook Quebec city for Montreal, but I am sure that the minister will agree that it was in Quebec. I come from 4,000 miles away, from the Yukon, and I am sure other hon. members will forgive me if I made a mistake on a matter of 120 miles, or whatever the distance might be between Quebec city and Montreal. But the fact is that the minister made this speech in Quebec city, which purported to erect certain circumscriptions within the C.B.C.—

Mr. Pickersgill: Once more I rise on a question of privilege, Mr. Speaker. When I spoke in Quebec city I was speaking to the Canadian Association of Broadcasters. Of course I am sure the hon. gentleman would not know the difference between them and the C.B.C.

I was not referring to the C.B.C. at all, but to broadcasting generally, and I was not seeking to make any suggestions to them of any kind as to how they should run their affairs. I was talking mainly about the inefficient way in which some of us in this house were running the affairs of the house, and the hon. member for Yukon (Mr. Nielsen) would have got honourable mention among those.

Mr. Nielsen: Mr. Speaker, when I was sitting on the government side, watching the opposition of that day, of which the minister was one of the four horsemen, I said to myself, whom should I try to emulate so as to be as responsible in opposition as I could; and I can pay no greater compliment to the minister than to say he is one of those I have tried to emulate on this side of the house. But what I really want to do is to take the minister to task—to make him realize that this unwarranted interference with the affairs of the C.B.C. is not in keeping with those principles he purported to espouse when he was sitting on this side of the house. He should recall the various charges he made in this regard when he was sitting over here. In order that he may call to mind some of the things he said in Quebec city, I propose to return to what was said on that occasion as Mr. Braithwaite saw it.

Transport Minister J. W. Pickersgill told the broadcasters they should forget about being so impartial in their reporting of parliamentary affairs and should become more analytical.

[Mr. Nielsen.]

At first flush, this might seem to be a praiseworthy reaffirmation of the freedom of the press and a declaration that broadcasting should partake fully of that freedom.

Mr. Braithwaite went on to say:

Coming from the cabinet minister who makes the ultimate decisions in federal regulation of radio and television, it would appear to rank only a little below Magna Carta or the Four Freedoms. But hold. It seems that Mr. Pickersgill had a particular kind of liberty in mind rather than liberty in general; the freedom he advocated was needed for a specific purpose. Certain rules that govern parliament must be changed, the minister said, if national purpose is to become national achievement. One such is the right to appeal rulings by the Speaker, which Mr. Pickersgill considers absurd. But who has most need of this right? The opposition. Similarly, who are the exhibitionists in parliament who the minister says gum up the works and should be exposed? Again, members of the opposition.

I am sure that when the minister said this in Quebec city he was thinking: What a wonderful Utopia it would be if we had control of all the crown corporations and all the media for the dissemination of public news, with no opposition at all. This is what he was advocating in Quebec city when he made those remarks. The article goes on—and the subject is, now, the Secretary of State—I was about to say the minister of culture:

This was scary enough, but he went on to say that he would need their assistance to help overcome Canada's so-called cultural poverty. To arrive at certain desired, but undefined, cultural goals, said Mr. Lamontagne, there should be not merely more Canadian content in programs, but better content, including better Canadian escapist entertainment.

I think the government is seeking many avenues along which to escape on several issues, and I do not blame the Secretary of State for making that observation. The key word, concludes Mr. Braithwaite, is the word "better". He goes on to say:

It isn't only broadcasters who should be alarmed by these ministerial attitudes. I am not suggesting the government is ready to take over radio and t.v., but at the very least there is a threat of encroachments which should be resisted.

I believe that was the beginning of this pattern with respect to the superimposition of the views of cabinet ministers and the government over independent decisions of the C.B.C. The C.B.C. was set up as an independent corporation to exercise independence in the dissemination of news to Canadian citizens everywhere. We cannot maintain that independence if the corporation is to be continually exposed to the imposition of the views of people such as the Minister of Transport (Mr. Pickersgill) the Prime Minister (Mr. Pearson) and the Secretary of State (Mr. Lamontagne) with respect to these matters. This pattern was further developed when the Minister of Transport refused to make an announcement on air

policy in the house, as is the normal custom, when questions were called. He refused to do that and he was later denied by the house an opportunity to make a statement on the ten o'clock adjournment debate under the rules. So he went bustling to the C.B.C. in Ottawa and insisted on making his statement on policy over this medium, instead of presenting it to the house as is the proper custom. On the following Monday when a motion censuring the hon. gentleman was before the house he made his apologies. But that is not good enough. The minister made a mistake on that occasion, but that does not excuse this pattern which seems to be developing of the government overriding the independence of the C.B.C., an independence which it is so important to preserve.

We have further evidence of this pattern forming. I refer to the film which was prepared under contract by Intervideo Productions Ltd. for the C.B.C.—a film on the Prime Minister. This was a half hour program which cost the Canadian taxpayers $35,000 and it was previewed by cabinet ministers in five separate showings. The Prime Minister, in reply to a question I asked him as to whether or not this film received its showing in his office on five separate occasions, evaded the issue by saying: No, it was not seen there; it was seen in the C.B.C. studio in Toronto. The fact remains that the Prime Minister and his advisers reviewed this film in five separate showings and, in effect, imposed censorship on it.

I have certain newspaper comments in this regard as well. A private showing was attended by the Prime Minister, by the Secretary of State for External Affairs, by the minister of trade, and by the Minister of Labour. I see the Secretary of State for External Affairs cocking his ear. He was one of those who saw one of these exclusive presentations of the film called "Mr. Pearson". I have as yet no knowledge of any other situation where a government has set up within the cabinet a committee of censorship, because that is what this amounted to. The Prime Minister, the Secretary of State for External Affairs, the minister of trade, the Minister of Labour and the minister for culture—I am sorry; the Secretary of State—were all at these exclusive showings. This is what the *Globe and Mail* for Thursday, May 21, 1964, has to say about censorship:

> The film-maker, co-producer of a highly regarded documentary on *Playboy's* Hugh Hefner that the C.B.C. carried two seasons ago—

That has nothing to do, of course, with the government or with the Prime Minister.

> —defended the techniques used in making the Pearson film and said the result was a sincere and honest portrait.

He said that the film was screened at least five times for members of the Prime Minister's staff and cabinet members. Among the ministers who saw it were Finance Minister Walter Gordon, External Affairs Minister Paul Martin, Labour Minister Allan MacEachen and Trade Minister Mitchell Sharp.

An hon. Member: And the minister for external affairs.

Mr. Nielsen: The minister for external affairs, I am sure, was there because he is particularly concerned with the external image the Prime Minister casts in the country.

Mr. Martin (Essex East): May I simply point out to the hon. member that I am not concerned with the external image, because the Prime Minister is respected throughout this country and throughout the world.

Mr. Nielsen: That remark is very refreshing because it is the first time in 18 months that the minister for external affairs has admitted he is once again back in politics.

The article goes on to say:

> Mr. Ballentine said he did not believe there had been government pressure on the C.B.C. but that the corporation had censored its own show in order not to embarrass the Prime Minister.

I wonder what can be read into a statement of that sort in view of the previous activities and statements of the Minister of Transport. However, the article continues—this quotation is from Mr. Ballentine:

> "At one screening, some of Mr. Pearson's advisers admitted that they had to be concerned about his vote-getting image", he said.

Some hon. Members: Oh.

Mr. Nielsen: Is that the reason the film was suppressed?

Mr. Diefenbaker: They might have been there for entertainment purposes.

Mr. Nielsen: As has been suggested, I believe this film was suppressed, unless some other explanation is forthcoming from the Prime Minister or one of the cabinet ministers concerned. It may be they went for the same reason they went to see Mickey Mouse—for entertainment purposes. We have not seen the film. If it is entertaining I am sure we would all like to see it. It seems to me that a film which has cost the Canadian taxpayer $35,000 should be seen by all Canadians. They have paid the price of admission and they should see it.

I think I can do no better than to wind up by reading—

Mr. Berger: Mr. Speaker, I hope my hon. friend from the Yukon will excuse me but I am not too sure whether I should raise a point of privilege or a point of order.

Some hon. Members: Sit down.

Alleged Interference in C.B.C.

Mr. Berger: I wish I could sit down, but the hon. member for Montmagny-L'Islet and others would like to know what is going on here. That is why I am asking Mr. Speaker this question, and if I am wrong I shall be corrected. I have been listening to the hon. member for Yukon (Mr. Nielsen) for a few minutes and he referred to the C.B.C. and matters like that.

Mr. MacInnis: Mr. Speaker, a point of order.

Mr. Berger: Unfortunately, I am not a lawyer; I am just a poor guy who does not know exactly where the hon. member is going to. It seems to me that we have so many important matters to discuss that we are at least entitled to have an explanation as to where the hon. member is going. Because up to now—

Some hon. Members: Sit down.

Mr. Speaker: Order.

Mr. Berger: —we do not know where we are going.

Mr. Speaker: Order, please. The hon. member for Yukon (Mr. Nielsen) is raising a grievance and I am sure he is doing his best to develop some sort of argument. The hon. member for Cape Breton South (Mr. MacInnis).

Mr. MacInnis: Mr. Speaker, on a point of order, the hon. member who has just taken his seat has referred to the fact that he did not know whether he was rising on a question of privilege, or what. I would draw your attention to the fact that neither he nor the Minister of Transport (Mr. Pickersgill) three times previous to that were recognized by the Chair; what they have been doing is nothing less than making interjections, and it is about time someone raised a point of order.

Mr. Speaker: The Chair is supposed to arbitrate, not enter into debate, and I assure the hon. member for Cape Breton South that I did recognize the Minister of Transport (Mr. Pickersgill).

Mr. MacInnis: Mr. Speaker—

Some hon. Members: Sit down.

Mr. MacInnis: Mr. Speaker, it would appear that I owe the Chair an apology.

Some hon. Members: Hear, hear.

Mr. MacInnis: There goes the snake pit again. Along with the apology I must remind myself to have my ears checked in the morning, because if the Minister of Transport was recognized I failed to hear it.

Mr. Berger: May I ask a question?

[Mr. Berger.]

Mr. Speaker: Order. The time for the hon. member for Yukon will be over at 9.22 p.m. and he should be given an opportunity on a statement of grievance to make his case.

Mr. Berger: On a point of order, Mr. Speaker. I agree with your ruling but I should like to know whether the hon. member for Yukon can differentiate between Quebec and Montreal, as I can between the Northwest Territories and the Yukon, because then I will listen to him.

Mr. Nielsen: Mr. Speaker, every time it starts getting a little hot and uncomfortable for members opposite, whether in this house or in the committee, up goes the smokescreen and out go the red herrings and they try to confuse the issue. I would tell the hon. member that I stated at the outset what my grievance was, and it was the unwarranted interference by the Prime Minister and his government in the independent affairs of the C.B.C. Had the hon. member been listening he would have heard the disgusting example which I quoted of the speech made by the Minister of Transport in Quebec city, the remarks of the Secretary of State, and the attempts of this government to suppress a film which the Canadian taxpayers had paid Intervideo Productions $35,000 to produce. If the Canadian taxpayer, as I said before I was interrupted, has paid the price of admission, then he is entitled to see the film, and I do not think the government should bring this pressure to bear on the management of the C.B.C. in an attempt to prevent the film from being shown.

I have before me a telegram from Intervideo Productions which was sent to me yesterday, and I want to read it to the members of the house because I think it deserves an explanation. It reads as follows:

> Intervideo Productions has informed C.B.C. it intends to take all actions necessary to enable the film "Mr. Pearson" to be seen. This action taken because C.B.C. has not replied to Intervideo's letter May 21 requesting C.B.C. to implement immediately Intervideo's rights to prints of the film and otherwise to honour the agreement between them.

Why have they not honoured the agreement? What pressures have been brought to bear by the ministers who previewed this film in their little censorship gathering?

> Inervideo can now only assume that C.B.C. for its reasons is determined to suppress film completely.

It is signed "Intervideo Productions".

I do not blame the C.B.C. for taking the decision they have taken. Unless a satisfactory explanation is forthcoming from the Prime Minister, from the Minister of Transport, from the trade minister or from the Secretary

of State, we shall have to assume that this film was suppressed. We have paid the price; let us have a look at it.

[*Translation*]

Mr. Gilles Grégoire (Lapointe): Mr. Speaker, I would like to speak briefly and leave enough time for my hon. friend for Port Arthur (Mr. Fisher) to say a few words concerning the grievance which has been raised. My remarks may seem somewhat irrelevant, but I still believe that what I say and the grievance I want to raise are quite similar to the one raised by the hon. member for Yukon (Mr. Nielsen).

I noticed tonight, and many times before, that some hon. members raise grievances or make accusations, without being able to prove anything whatsoever, concerning either their grievances or their accusations. I mention this fact because it is not the first time that it has happened. In fact, the other day we heard the hon. member for Joliette-L'Assomption-Montcalm (Mr. Pigeon) talking through his hat and levelling an accusation for which he was called a liar, and he did not dare challenge the statement.

Mr. L. J. Pigeon (Joliette-L'Assomption-Montcalm): Mr. Speaker, I rise on a question of privilege. The hon. member for Lapointe is not allowed to challenge the word of the hon. member for Joliette-L'Assomption-Montcalm.

[*Text*]

Mr. Fisher: On a point of order, Mr. Speaker, I should like to know whether the hon. member for Lapointe (Mr. Grégoire) is speaking to the grievance raised by the hon. member for Yukon (Mr. Nielsen). Because if he is, then it is not clear.

Mr. Speaker: I am quite convinced myself that the hon. member is speaking to the same grievance, because he told me he wanted to do that. But in order to determine the question, is the hon. member for Lapointe (Mr. Grégoire) speaking to the same grievance?

[*Translation*]

Mr. Grégoire: Yes, Mr. Speaker. Besides, that was easy to see from my first remarks.

Mr. Speaker, my grievance concerns the one which was raised earlier and it is precisely because this is not the first time it happened that I wish to speak about it.

The hon. member for Yukon quoted newspaper articles and editorials to support his grievance.

I do not know if what he said is true, but I do know that in making his statement the hon. member did not bring forward any conclusive or striking evidence, in short, no proof at all. All he did was quote from press reports and take Montreal for Quebec, which is rather insulting to us.

Mr. Speaker, I am dealing with this type of grievance today, because for several weeks, especially every time grievances have been raised in the house, it has become the custom to do so without giving any proof, to launch accusations in mid-air, and I am rising now to protest against this practice and against the grievance raised by the hon. member for Yukon.

We have seen that the hon. member for Yukon has proved absolutely nothing, and has launched gratuitous accusations, just like the member for Joliette-L'Assomption-Montcalm has done.

[*Text*]

Mr. Pigeon: The same old bunch, Mr. Speaker.

[*Translation*]

Mr. Grégoire: Mr. Speaker, I appreciate the remarks made by the hon. member for Joliette-L'Assomption-Montcalm and by another hon. member whose riding I do not know but who is a front bencher on the other side. I see that it was the hon. member for St. Ann (Mr. Loiselle) who accused us of being with the Conservatives because we voted against the government. Now, the hon. member for Joliette-L'Assomption-Montcalm says that we side with the Liberals. That is not so. The only thing we want is to try to keep some logic in the house after the outbursts we had a while ago.

[*Text*]

Mr. Peters: There is no difference.

[*Translation*]

Mr. Grégoire: It is true that there is perhaps no difference between the two old parties.

As for a possible interference with the C.B.C., I am more specifically coming to the grievance raised by the hon. member for Yukon. It has been said that some ministers interfere with the authorities of the C.B.C. There is, however, one thing which should be established in this house. We see, for instance, Air Canada and the Canadian National sending their officials before a committee of the house, to explain their position, their principles, their objectives and what they propose to do. Now, this is not the case with the C.B.C.

Indeed, yesterday or the day before, we asked the Secretary of State (Mr. Lamontagne) to set up a committee of the house to inquire into the operations of the C.B.C., to enable us to get some information from the heads and officials of that corporation on

some points which we may be anxious to clear up. Then, the hon. member for Yukon would be able to obtain the proof of what he just stated.

Mr. Speaker, we are denied such a committee, and that is why I take up the grievance of the hon. member for Yukon in respect to the affairs of the C.B.C. I should like to amplify that grievance, or at least raise one, since there was none a while ago, and ask the government to set up a special committee of the house so that the hon. members may ask the director of the C.B.C. how this crown corporation operates and then express their views and those of the people behind them—and I mean members in all corners of the house—on the machinery and administration of that corporation.

Mr. Speaker, I feel that this is imperative, because it has been several years now since such a committee of the house was instituted. That committee would not be a clumsy interference on the part of members in the affairs of the C.B.C., but it would inform them on what goes on in that corporation. Besides it would also be a source of information for the corporation itself, because we would be in a position to tell them what the people really think of their operations.

Mr. Speaker, it seems to me that this is imperative. The Secretary of State (Mr. Lamontagne) is not present in the house, but I think that there will be other members of the cabinet—

Hon. Paul Martineau (Pontiac-Témiscamingue): Mr. Speaker, I rise on a point of order. In my opinion, the hon. member for Lapointe (Mr. Grégoire) is wandering away from the grievance raised by the hon. member for Yukon. Under standing orders, he should restrict himself to the grievance which has been raised, but he is now talking about a quite different matter. He should restrict himself to the subject—

Mr. Grégoire: Mr. Speaker, may I say a few words on that? The subject matter of the grievance in question is the interference of some hon. members of the house in the affairs of the crown corporation which is called the C.B.C. Now, it seems to me that that is precisely what I am talking about, since I am asking the government to set up a committee of the house to prevent such intrusions.

Mr. Speaker, I feel that my remarks are entirely within the scope of the grievance raised a while ago by the hon. member for Yukon. That is why I should like to continue—

Mr. Pigeon: Mr. Speaker, I would ask you to make a ruling as to whether or not the hon. member is out of order.

[Mr. Grégoire.]

[*Text*]

Mr. Speaker: Inasmuch as I have been requested to render a decision, I think the point is well taken by the hon. member for Lapointe in that the grievance is interference with the C.B.C.—

Mr. Churchill: By the government.

Mr. Speaker: —and he was discussing reaching, I presume, some sort of conclusion in that respect.

[*Translation*]

Mr. Grégoire: Mr. Speaker, I thank you, because it seems to me, after all, that the subject matter is broad enough, since the whole organization of C.B.C. is questioned and this is precisely what I am discussing.

I see that the Secretary of State, who is responsible for the C.B.C. is not here this evening but I am sure that the Secretary of State for External Affairs (Mr. Martin) can be the spokesman for the members of our party and many others in the house, I believe, to ask the Secretary of State to look after the institution of a special committee of the house on C.B.C. organization and affairs. It is not because we would necessarily criticize the C.B.C. On the contrary, in spite of the remarks made by the hon. member for Yukon, I think personally that the C.B.C. is doing an excellent job, that it is one of the agencies that works for the development of bilingualism in our country.

It may be that there are other administrative deficiencies in that corporation. Then, there might be some suggestions to be made, for instance, to appoint Donald Gordon as chairman—he knows about administration—and, since things may not go too well as far as bilingualism is concerned in the C.N.R., Alphonse Ouimet, who is doing a fine job of bilingualism at C.B.C. could be appointed there.

Mr. Martineau: Mr. Speaker, the hon. member is again out of order.

[*Text*]

Mr. Speaker: I do not share that opinion—

Mr. Fisher: We do.

Mr. Speaker: —but I believe that the hon. member for Lapointe had just about terminated his remarks. Am I correct?

[*Translation*]

Mr. Grégoire: Mr. Speaker, I conclude my remarks by officially asking the government to appoint a special committee on the C.B.C., so that we may find out what is happening within that organization and, then, I believe that grievances such as those which were raised tonight, will be less justified.

[*Text*]

Mr. D. M. Fisher (Port Arthur): Mr. Speaker, I want to speak to part of the grievance raised by the hon. member for Yukon (Mr. Nielsen) and that is this question of the film produced by Intervideo Productions Ltd. and called "Mr. Pearson". The other day, probably feeling he had scored a bit of a triumph, the Prime Minister (Mr. Pearson), replying to a question with regard to the government's relationship to this film, said, "We do not censor films on this side of the house". There was a bit of a roar then. I was told later it was probably because in one part of this country, Saskatchewan, there has been some censorship, particularly of a film called "Tom Jones". I would like to suggest that "Tom Jones" and "Mr. Pearson", as films, are a little bit different. The film, "Mr. Pearson", even though it has been turned down by the C.B.C., is no academy award winner.

But I do think there are some points in connection with the film that are very interesting in so far as the relationship of the government and the C.B.C. is concerned. The reports of criticism of the film by the C.B.C. that have appeared have suggested that the camera work is erratic and that the film is not up to C.B.C. standards. I want to make the point to the house that the man who did the camera work is the man who did the camera work for the very famous television documentary in the United States that showed the Kennedy brothers facing up to the civil rights situation in Alabama. That particular television film won tremendous acclaim for the fact that it introduced the exciting new technique of the wandering camera and wandering sound. While it gave a sort of uneveness to the film, once the viewer became accustomed to it he felt he was really inside things and it was an exciting experience something like, I suppose, when the first vista screens were introduced in the movie theatres. But this is the man who did the camera work.

Who was the producer? Was he some stumblebum off the streets? As a matter of fact, Mr. Ballentine has a very high reputation as a producer and he has been associated with a number of films that have won international awards. So the producer and the cameraman are people with real reputations. One of the terrible things about what has ensued is that their reputations are under a cloud because for some reason the C.B.C. changed its mind in a period of 12 hours on May 5.

The man who announced the turn-down is a man by the name of Reeves Hagan who is in charge of public affairs for the C.B.C. I think most members know him. The interesting thing about the project when it was first undertaken was that it was not to be done by the public affairs department. First of all it was to be done by the features section and was probably to be shown on "Telescope". As enthusiasm became aroused, Mr. Hagan was the C.B.C. executive who moved to bring the project within the grasp of the public affairs department. They were immensely interested by the prospect of this one hour film on the Prime Minister (Mr. Pearson) with this exciting new camera technique and filmed by this experienced cameraman.

So they started to work and various slash or rough prints were made as the project went along. There have been a number of screenings over the months. As long ago as before Christmas the Prime Minister with some of his advisers saw a screening. These advisers had nothing to do with the question whether what had been displayed to them should be revealed, because it was in confidence; but they were artistic advisers, if I may put it that way, people who have had some experience with television and who advised him on his appearance and so on.

These screenings were all arranged over some months. It is very obvious from the evidence of Mr. Ballentine, unless he is a complete liar, that Mr. Hagan was bound and determined he would show the film until he got the order to drop the idea. Why did he not show the film? Is it because Ron Fraser or Alphonse Ouimet are really the best judges, rather than the head of their public affairs programs? That is nonsense.

The hon. member for Lapointe (Mr. Grégoire) is talking about facts. I do not have any facts to nail down actually what happened, but I should like to suggest to the house a reasonable prospect of what happened. First of all, I want to know what business Tom Kent had seeing the film. I want to know what business some of the Liberal party advisers from headquarters had seeing the film.

Mr. Pigeon: Keith Davey.

An hon. Member: Checking the acting.

Mr. Fisher: This is an important point. I think everyone can agree that the Prime Minister should have the right to view the film. I am prepared to concede his right to view the film because of the nature of the particular program and the fact that the cameraman was filming what has been cloistered and secret. From that point of view we have no disagreement with the screening for the Prime Minister. But what business have the party advisers at such a screening,

as distinct from the governmental advisers? What business have artistic advisers at such screenings unless the assumption is that the Prime Minister had the final O.K. on the film?

Mr. Woolliams: Right.

Mr. Fisher: I understand that there was a vote taken. It has been reported to me that the Minister of Trade and Commerce (Mr. Sharp) thought it was a rather amazing or astounding film. I am told that Mr. Kent thought it was brilliant. I think that was the word he attached to it. But in the voting apparently their votes were lost. They were outvoted. I realize that even the inner circles of the Liberal party have their splits. But in this particular split the vote went against the film and somehow this decision was communicated to the C.B.C. Otherwise how can you explain the fact that Mr. Hagan told the government they were going to proceed with the film and actually set a date for it? How can you explain that, unless there was word from the Prime Minister's office that went to officials of the C.B.C. above Mr. Hagan? They looked at the thing and the story is, of course, that they agreed it was an inferior film.

There is no question that the C.B.C. backed down. They claim that this film does not measure up to their standards. I suggest that there is a legal question involved with respect to whether Mr. Ballentine will have to go ahead, in order to prove that he is not an inferior television film maker, and use a slash print in theatres and on other television stations that will take it or whether the C.B.C. is going to release to him the good prints to which he feels he has a legal right.

I should like to suggest that the government and the Prime Minister have got themselves into a real box, because whether they like it or not the film is going to be shown and it will be very unfortunate if it is an inferior slash print. I should also like to suggest that it is just through this kind of untidy arrangement of people voting on whether a television film should be shown that difficulties arise. I do not want to belabour this particular point very much, but the relationship between the Canadian Broadcasting Corporation and any government is always a delicate one.

We had a suggestion from the Leader of the Opposition (Mr. Diefenbaker) of what might be called pre-censorship in connection with "The Open Grave". Now we have a form of post-censorship, but it is much more serious because it is on the side of the government. We can look back to the "Preview Commentary" dispute and "heads will roll", and we will recognize there is always a temptation on the part of a government to manipulate in a sense. One of the things that is most serious about this situation is that there is abroad among many people in this country—I know I have the feeling myself—the feeling that many people in the C.B.C. tend to see themselves almost as agents to preserve the good reputation of the government. For this very reason I think it is most unfortunate that the C.B.C. has acceded, I believe, to information from the Prime Minister's office that this film does not satisfy the Prime Minister and his advisers because it shows him, they believe, in an unfavourable and petulant light. I think it is a disgrace that this situation has developed in the way it has. I suggest the only way to get out of it is for the C.B.C. to release the prints and let the rest of the country see the film on media that are less high in their standards. I think we will be able to form our own judgment then whether the $35,000 was wasted.

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

The estimates of the following departments were first taken up and entered for consideration.

DEPARTMENT OF FISHERIES

1. Departmental administration, including grants and contributions as detailed in the estimates, $1,159,000.

DEPARTMENT OF FORESTRY

1. Departmental administration, including grants as detailed in the estimates, $1,381,000.

DEPARTMENT OF MINES AND TECHNICAL SURVEYS

1. Departmental administration, including the administration of the Explosives Act and Canada's fee for membership in the Pan-American Institute of Geograph and History, $2,191,000.

DEPARTMENT OF NATIONAL DEFENCE

1. Departmental administration, including grants to military associations, institutes and other organizations as detailed in the estimates and authority, notwithstanding section 30 of the Financial Administration Act, and subject to allotment by the treasury board, for total commitments of $2,289,-221,625 for the purposes of votes 1, 5, 10, 15, 20, 25, 30, 35, 40, 42, 45 and 50 of this department regardless of the year in which such commitments will come in course of payment (of which it is estimated that $799,648,500 will come due for payment in future years) and authority to make recoverable advances under any of the said votes and, notwithstanding the Financial Administration Act, to spend revenue received during the year in respect of assistance rendered to the United Nations, any party of the North Atlantic Treaty Organization or any provincial or municipal government, $3,917,825.

DEPARTMENT OF NATIONAL HEALTH AND WELFARE

1. Departmental administration, $2,099,000.

DEPARTMENT OF SECRETARY OF STATE

1. Departmental administration, $363,600.

Proceedings reported.

TERRITORIAL SEA AND FISHING ZONES

LEGISLATION RESPECTING TERRITORIAL WATERS AND FISHERIES LAWS

The house resumed from Thursday, May 21, consideration of the motion of Mr. Martin (Essex East) for the second reading of Bill No. S-17, respecting the territorial sea and fishing zones of Canada.

Mr. J. B. Stewart (Antigonish-Guysborough): Mr. Speaker, when this subject was last before the house I drew the attention of Your Honour and hon. members to the importance of the subject matter to the people of most of the constituencies of the Atlantic provinces. Twenty nine constituencies in the Atlantic provinces are bordered by the Atlantic ocean, and the lives of the people in these constituencies are deeply touched by all matters affecting this great and historic industry, the fishing industry.

Now, as Your Honour knows, the scheme of the legislation is complicated. I know from what has been said by hon. members opposite, particularly by hon. members from that most westerly of our provinces, British Columbia, that there is in that quarter a certain uneasiness with the bill before the house. I think Your Honour should know that this uneasiness is not shared by the people of Atlantic Canada. We think that the scheme of this legislation is excellent. We see in this legislation a pre-figuring of an arrangement which will be highly beneficial both to our inshore fishermen and to those who venture out farther upon the sea.

Your Honour will recall that this legislation provides for the drawing of straight base lines. The waters inside those base lines will be the inland waters of Canada, and all legislation which applies to any of the inland waters of Canada generally will apply there. I think the importance of this aspect sometimes has been overlooked. Outside the straight base lines will be the territorial sea of Canada extending for three miles seaward, and immediately beyond that—

Mr. Chatterton: Will the hon. member permit a question?

Mr. Stewart: Yes.

Mr. Chatterton: I think the hon. member said the legislation prescribes base lines. Will he kindly refer me to the part of the legislation which does that?

Mr. Stewart: I think anyone who has perused the bill knows that what this bill enables the government to do is to describe a particular sequence of straight lines which will give to Canada the largest possible portion of sea for its use. I do not believe anybody in this house would demand more. I think I know to what the hon. gentleman is adverting in his question, and I shall come to his point later.

As I was saying before I was interrupted, the third aspect concerns Canada's fishing zones. These will lie beyond the territorial sea in a band of water nine miles wide, so that outside the straight base line there will be a 12 mile area for which the fishing regulations made by the government of Canada will be the regulating principles. I think anybody who is familiar with the oculated coast line of Atlantic Canada will appreciate how attractive this legislation is to us.

Now, it has been suggested that this is not the juncture at which this particular bill should have been brought forward. We have been told that it would have been better for the government to have done one of two things, either to have proceeded with those negotiations, which I am sure every hon. member in this house would wish us to conduct with friendly powers, and at the conclusion of those negotiations embalm the result in a statute of parliament, or to proceed by drawing up now a bill to be enacted declaring prior to further negotiations what our base line would be.

I want to suggest to you, Mr. Speaker, that neither of these courses of action would be as desirable as the course which the present government has elected to follow. As we know, the question of the rights of other powers to have their fishermen fish in our waters is a complicated one. It is not likely that the governments of other countries will lightly give up any claims which they may make. I do not wish to pass upon the validity of these claims. I am sure that in some instances they may very well be regarded by some of our international lawyers as exaggerated. They make these claims both on treaty grounds and on historic grounds. I think everybody in the house would insist that before taking the definitive action, which this government is prepared to take eventually if necessary, there should be complete and amicable exploration of the claims of these other countries.

This exploration, we have been told, has been under way for several months and can be expected to continue for some time. What the government is now asking for is really very simple. The government is coming to this house and is saying, we want you now to give us a mandate to proceed. We have engaged these other countries in negotiations. The negotiations have proceeded to that point

at which we are now prepared to ask parliament to give us a mandate to bring this matter to a successful conclusion. We believe that this negotiation has proceeded to the point at which we should be able to inform those powers with whom we have been negotiating that we indeed have the statutory authority to make a final settlement in this whole complicated affair.

Now, sir, in the circumstances I do not see how any other course of action would have been reasonable. I suspect that even had there been no change in government a year ago, parliament today might very well find itself in exactly the same position that it is in now, and I would hope that hon. members who happen to belong to my party would not in that case chastise the government for coming to parliament at this juncture to ask for a mandate to establish a straight line base system and a 12 mile fishing zone, both of which would be so beneficial to our people.

I have almost concluded, but there is one more thing I want to say. It is that I hope, as the debate proceeds on this important issue, that nothing will be put on the record which will cause any misconception in any quarter, within this country or without this country, as to our determination to establish for Canada a 12 mile fishing zone extending beyond waters which are ours by undoubted right. I think this is something on which, despite our minor disagreements, we are emphatically agreed. I think no one in any quarter should have any doubt about this matter. This is one issue on which the Canadian people are enthusiastically unanimous. We are going to have this. We prefer to have it be achieved by amicable negotiation, but we are going to have it, Mr. Speaker.

Mr. Lloyd R. Crouse (Queens-Lunenburg): Mr. Speaker, any measure dealing with the fishing industry is of vital importance to Canadians generally, and especially to representatives from the Atlantic provinces. I listened with considerable interest to the Secretary of State for External Affairs (Mr. Martin) when he made his statement relative to the government's proposal unilaterally to establish a 12 mile exclusive fishing zone off Canada's coasts.

While this action is commendable from a conservation point of view, there are still some questions unanswered, questions that require clarification by the government. The most important question in the minds of many Canadian fishermen today deals with the problem of friendly relations that may or that may not exist between Canada and the United States as a result of the government's action.

On the east coast we are concerned with the preservation of our traditional fisheries markets in the United States, markets that are of vital importance to our maritime economy and to our east coast fishing industry. I ask the minister and the government where are the safeguards for these markets? What are the results of the negotiations that have been carried on in recent weeks and months by the Secretary of State for External Affairs?

Hon. Paul Martin (Secretary of State for External Affairs): Are you asking me to answer now?

Mr. Crouse: Yes, I would like to have that statement on the record.

Mr. Martin (Essex East): As this is a very important matter I do not want to interfere with my hon. friend making his speech, but he asked the question. As he knows, there are negotiations under way between Canada, the United States, France and a number of other countries. Those negotiations have not concluded and it is because they have not concluded that it has not been possible—as the hon. gentleman who has just spoken indicated—to proceed definitively and completely with the establishment of the straight base line system.

The negotiations are still under way. These negotiations are friendly, and there would be no justification in anything that has taken place for any concern on the part of anyone in Canada about our relations with the United States or with any other countries. We are proceeding as friends in our negotiations.

There is no intention to interfere with the treaty, or historic fishing rights of the United States, with whom the particular negotiation has been put in question by my hon. friend, and there is no justification for creating the suggestion that anything involving Canada's interests stands in jeopardy. Coming as he does from a fishing district I am sure my hon. friend joins with my hon. friend from Antigonish-Guysborough (Mr. Stewart) in saying it is desirable that we should have a 12 mile fishing zone to protect our fishing industry.

Mr. Crouse: I am grateful to the minister for his explanation, but I would like to tell him that I expressed my concern in the manner, which I did a moment ago, as a result of his very own words which he placed on record in *Hansard* on May 20 at page 3409, as follows:

> I am convinced that in taking this action now—as the government is doing, unilaterally—Canada is acting in accordance with present day international law and practice.

Mr. Martin (Essex East): That is right.

Mr. Crouse:

> The government is convinced that we are following the wisest course in immediately seeking

agreements with the countries affected by our action. We are equally convinced that we must carry forward our negotiations with these countries before we proclaim the base lines for our entire coast.

Then a little further on he stated:

When the government took its decision to establish a 12 mile fishing zone and straight base lines, we did not minimize the problems involved in some of the negotiations lying ahead of us. Nor do we minimize them now. These negotiations may be difficult and we must accept this fact.

Mr. Martin (Essex East): That is right.

Mr. Crouse: It is because of those words and the very doubts that the minister raised in the minds of many Canadians over the results of these negotiations that I spoke as I did. He states that the government is convinced, but I question whether he has yet convinced the United States who have traditionally rights in these waters. It is in the United States market that we must sell so much of our fish, and this is why I raise this doubt.

Mr. Martin (Essex East): What I am pointing out to my hon. friend is that what the United States are concerned about has nothing to do with markets at all. This is a point of law. It does not in any way involve Canada's markets in the United States. These do not stand in jeopardy at all and the very suggestion that they do, which my hon. friend makes, is one that I suggest to him—as the hon. member for Queens (Mr. MacLean) pointed out the other night—is not helpful to a very important negotiation under way now between Canada and the United States.

Mr. Crouse: Mr. Speaker, I would be the last in the house to say anything that would not be helpful in the negotiations, because I represent a constituency which has undoubtedly the largest fishing fleet in North America, and therefore I want my remarks to be helpful. But when you are dealing with an industry like the fishing industry, that will have a market value in my province of Nova Scotia alone, this year of approximately $70 million, this house and this industry need facts about the protective measures that are being taken for its future.

I submit, Mr. Speaker, that this is not the place for any fast, slick promises that may have been made during the last two election campaigns by hon. members who now occupy the seats to the right of Your Honour and who form the government, promises made about the value of a 12 mile fishing zone. We in the Atlantic provinces know that conservation measures must be taken, but we are also a practical people and we know that at present some 70 per cent of our entire catch of fish must be sold on the American market. The Lunenburg county fleet alone can catch sufficient fish to feed the entire population of Canada, some 19 million persons.

So I say we need and must maintain the United States market for our fishing industry. In speeches I have made on this subject from the day I entered the house I have taken this stand and I reiterate it tonight because its importance cannot be underestimated. It is for this reason I wish to impress on the minister, for the benefit of thousands of Canadian fishermen and for the benefit of an equal number of processors and handlers of the fish we land on the Atlantic coast, the importance of maintaining this market and assuring us that the Americans are in complete agreement with the negotiations and with the establishment of this limit.

The subject of fisheries conservation is not something new. It is a problem which has plagued various governments since the early days of this century. In fact, we read in a royal commission report on fisheries in 1928—the exact date is May 4—that the following resolution was passed by the House of Commons on February 6, 1911:

That in the opinion of this house, as the mode of fishing known as steam trawling prosecuted by ships of different nationalities on the coast of Canada outside Canadian waters is destructive to fish life, it is expedient in order to conserve the deep sea fisheries, that negotiations be opened wih the view of securing an international agreement—

And you will note it specifically states "international agreement"—

—prohibiting this mode of fishing in such spawning grounds for deep sea fish as the waters of the gulf of St. Lawrence and the banks of the north Atlantic adjacent to the coasts of Canada and Newfoundland.

That was way back on February 6, 1911. Then, in the same report on page 91 it is stated:

In order to protect further the shore fishermen, the Canadian government in 1915 enacted a regulation under the Customs Act, whereby the master of any steam-trawler is required before he is granted a clearance for the fishing grounds to give the customs officer a declaration that he will not fish within at least 12 miles from shore, this regulation to apply to all steam-trawlers clearing from a Canadian port on the Atlantic coast. Since that time no further restrictions have been placed on steam-trawlers operating from ports of the maritime provinces.

It is this latter regulation which has plagued the Canadian fishermen over the years and as a result we find the anomalous situation in which Canadian fishermen have, since 1915, been required to fish 12 miles from the Canadian coast while fishermen of all other nations have been permitted to fish within three miles of our shores.

I might add that the three mile limit has never been agreed to among the nations of the

world, as far as I can see from the literature I have read. Such a limit was proposed many years ago by two great international powers, Great Britain and the United States, the idea being that the three mile range of their cannon would establish sovereignty over their coastal waters. However, when the league of nations convened a conference at The Hague in 1930 to consider regulations concerning the law of the sea there was so much disagreement on what should be the breadth of territorial water that no resolution or proposal could even be put to a vote. Interest in this matter seemed to lapse until 1958 in which year the United Nations called a conference in Geneva to consider the law of the sea. It was evident that fishing rights and territorial limits had become more important over the years since representatives from 86 states attended the conference. A Conservative government was in power in Canada and under the able leadership of the then minister of external affairs, Hon. Howard Green, a Canadian proposal supporting a 12 mile limit was put forward. Here, again, I pay tribute to the present Secretary of State for External Affairs (Mr. Martin) for his remarks in commendation of the action taken by Mr. Green at that time. I think it is praiseworthy that the minister should in this way have done justice to one of Canada's great ministers. We put forward at that time a proposal for a 12 mile limit. Our proposal was known as a "six and six" proposal—six miles of territorial sea and six miles in which fishing limits applied. The present proposal calls for a three mile territorial sea and a nine mile fishing zone. In effect, we advocated what we will refer to as a 12 mile limit proposal. We, the Conservatives, hoped to establish this 12 mile limit by international agreement bearing in mind our trade and treaty commitments. We Conservatives believed in international agreement because a principle is at stake in this problem—the principle that the rights of states in international law depend on the consent of other states. However, although the conference was successful in reaching agreement on 113 articles of the law of the sea, after six weeks of intensive debate the contest between those who wished a three mile territorial sea and those who wished a 12 mile territorial sea failed by one vote to gain the required two thirds majority which would have resolved it. Accordingly, there is still no agreement on the breadth of the territorial sea among the 86 nations represented at that conference.

Mr. Speaker, may I call it ten o'clock.

[Mr. Crouse.]

BUSINESS OF THE HOUSE

Mr. Churchill: May I ask the leader of the house if he can forecast the business for the rest of the week.

Mr. Favreau: I will forecast the matters to be taken up tomorrow. First, we will resume debate on the second reading of the bill respecting the territorial sea and fishing zones of Canada. Second, we will proceed with the resolution introducing the measure to amend the National Housing Act. I hope, somewhere, somehow, we can deal with item No. 7 on the order paper, second reading of a bill to authorize the construction of a bridge across the St. Lawrence river between the city of Ste-Foy in the county of Quebec and the municipality of St. Nicholas. I believe, subsequently, we will be taking up item No. 14 which is a resolution introducing a bill to amend the Farm Credit Act.

PROCEEDINGS ON ADJOURNMENT MOTION

(Subject matter of questions debated under adjournment motion).

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

LABOUR CONDITIONS—BASIS FOR FIGURES RESPECTING NUMBER OF UNEMPLOYED

[*Translation*]

Mr. Pierre-André Boutin (Dorchester): Mr. Speaker, the question I raise tonight concerns an item published in the newspaper *Montréal-Matin* on May 20, 1964, and entitled: "Who is right?" I quote:

> The number of claimants of unemployment benefits reached 597,000 on March 31, according to the d.b.s. official unemployment statistics showed 403,000 unemployed throughout Canada on April 18. The discrepancy between those two figures, the former based on reports of the unemployment insurance commission, and the latter on a sample survey, has never been clearly explained.

As a preliminary to the question which I directed on May 20, 1964 to the Minister of Labour (Mr. MacEachen), I quoted the figures which had appeared in the article of the said newspaper.

The question read as follows:

> Could the minister clearly explain the discrepancy between the two figures, since one is based on a report of the unemployment insurance commission and the other on a sample survey.

By computing the difference between the figures provided by the unemployment insurance commission and those of the sample survey, we obtain the rather interesting and high figure of 194,000 unemployed over or below, whether we refer to one of the official sources concerning unemployment.

How can a reduction of 194,000 unemployed in Canada within 15 days be explained?

The sixty days of the present Liberal government having proved to be a disaster for the whole Canadian population, could it be that they were offset by the first 15 days of April, during which the government would have created all the jobs promised during the election campaign?

I doubt very much, Mr. Speaker, that we have there the explanation for this tremendous gap.

Where then are we to find the answer to that question? We might have to look for it in the meaning or definition given to the word "unemployed".

What is meant by "unemployed"? Is it only those who are lucky enough to get unemployment insurance benefits, that is to say, if I may, those unemployed on a full-time basis, who are not allowed to have a little sideline and earn a little money without always feeling the sword of Damocles hanging above their heads and which might come crashing down the moment it is discovered that they are earning a few cents on top of their unemployment insurance benefits?

On the other hand, is the word "unemployed" used to mean those who, while drawing their unemployment insurance benefits, in whole or in part, can earn a maximum amount of money during the week? I believe, Mr. Speaker, that some people can earn up to $20 a week without this being detrimental to them as far as their collection of unemployment insurance benefits is concerned. I do not believe that they draw those benefits in full but they draw at least an important portion of the benefits due to their condition. These people are usually classified as part-time workers.

Could the minister tell us whether, in computing the number of unemployed registered at the various offices, the statistics officers consider as unemployed those people I just mentioned or described?

Finally, are investigations made to establish the number of persons unemployed, many of whom, knowing they have no chance at all of being put on the list of unemployed who get unemployment insurance benefits, do not even try to get on that list?

Finally, are those who are denied during two or even six weeks, unemployment insurance benefits as a penalty for their failure to follow the required procedure at their local unemployment insurance office, included as unemployed?

In that last case, I could say that if those people are not considered as unemployed, we must blame certain little aristocrats who, sitting behind their desk, are making game of those poor people who do not understand that awkward unemployment insurance legislation. They go back home with empty hands simply because they were taken in by those little squirts who sometimes interpret the act as they please to save the government the payment of too many benefits.

Then, Mr. Speaker, I should like to know what, in the opinion of the minister, is an unemployed and second, why there is such a discrepancy in the official figures from the unemployment insurance commission and the d.b.s.

I should like the Minister of Labour, who as I notice now is absent tonight to explain to me those figures.

[*Text*]

Mr. J. A. Byrne (Parliamentary Secretary to Minister of Labour): Mr. Speaker, the Minister of Labour (Mr. MacEachen) has asked me to express his regret at his inability to be in the house this evening at this period. The hon. member has introduced several more questions which of course it would be impossible for me, or for anyone else for that matter, to answer within the three minutes provided under the new rule. However, I point out to the hon. member that he has answered some of these questions himself.

In order to explain the discrepancy in the two figures I would first refer the hon. member to a report of the committee on unemployment statistics that was set up by the former administration, which committee reported to the house in August of 1960. Briefly, Mr. Speaker, I would simply state that the 597,300 active unemployment insurance claimants reported by the unemployment insurance commission as of March 31 include those persons referred to by the hon. member who are employed part-time but do receive some measure of benefit.

The dominion bureau of statistics labour force survey, on the other hand, of April 18 as opposed to the earlier date of March 31, does not include such persons. In addition, the unemployment insurance figures provided by the unemployment insurance commission are an average of the number of people drawing benefit during the whole month, while the d.b.s. figures are an estimate of the number of people unemployed during the third week of the month; that is to say, ending the 18th day. The 194,300 discrepancy may be further explained, or rather is self-evident, when one has regard for the significant dates when employment seasonally increases at an accelerated rate.

The other matters, or assertions, that the hon. member has brought forward are impossible to answer in the short time at my disposal, but I would certainly refer the hon. member to this report, which he may obtain in the library. It will, I am sure, accurately show him why there does appear quite often to be a large discrepancy in these two figures.

TRADE—CONTINUATION OF POLICY RESPECTING OIL EXPORTS

Mr. Eldon M. Woolliams (Bow River): Mr. Speaker, on May 21 last I asked a question which is to be found at page 3431 of *Hansard*. I want to make it very clear that when I mentioned that the Minister of Trade and Commerce (Mr. Sharp) was absent that day, I know he had absolute justification for being absent; he was no doubt engaged in duties in reference to his own department even if he was not in the house. Therefore I directed my question to the Prime Minister (Mr. Pearson). The question was in reference to an article—I do not want to take the time of the house by reading from the newspaper—which appeared in the New York *Times* and was requoted in the Calgary *Herald*. I read it in both newspapers. The article was in reference to the petroleum industry, and in particular concerned the acceptance by the Soviet union of petroleum and other oil products in return for Canadian grain. The Prime Minister (Mr. Pearson) said that there was no justification for the statement. His actual words were:

> Not to my knowledge, but it is important, Mr. Speaker, and I shall look into it.

The next day, May 22, and I am not criticizing the Prime Minister because only a day had elapsed, I asked him if he had any information. The Minister of Trade and Commerce (Mr. Sharp) had not returned from his duties elsewhere and the Prime Minister said he had no information but he again emphasized that it was an important question.

I am not complaining about the answer given by the Minister of Trade and Commerce at all but I had a supplementary question I wished to ask because if we did get into a deal with Soviet Russia in petroleum products there would be repercussions from the United States. Even before the minister became a member of the house he was no doubt active in the enterprise when he was deputy minister of trade and commerce, and we know that the eastern market is open to the entry of Venezuelan crude. In this case these companies are United States companies. If we introduced quotas for the eastern market there would be repercussions in the United States.

I think this is a very important question. It may be that I owe the Speaker some apology for the way I spoke the other afternoon when he brought me to order, but with the greatest respect to you, Mr. Speaker, it is an important, urgent question, and in saying that I have in mind some of the other questions asked that day. When we realize that a year ago we were able to bring our payments position closer to balancing because of the petroleum industry may I say I was rather shocked when I was prevented from asking this question.

We can look at the Canada Year Book for 1962 and 1963 particularly, and I am sure the minister will not have any argument in that regard. I am not saying this because the Conservatives were in power then. I want to keep this matter out of politics. It is too important to get it into politics. It affects the economy of western Canada. A national oil policy was developed whereby we could ship our crude petroleum to the western states. Discussions were carried on with the proper authorities in the United States and their purchases of our crude petroleum were beginning to accelerate. The only way we can keep the oil industry of western Canada healthy is either by consuming the product domestically or exporting up to 800,000 barrels of crude petroleum a day. The Canada Year Book will show that we brought our exports up to 668,000 barrels daily. In other words, we were near the target.

Prior to the Suez crisis we had trouble. Then the Suez crisis came along and we were able to accelerate our exports and to keep our petroleum industry healthy. But then we got into trouble after the Suez crisis ended. We then went downgrade and we got into a serious situation indeed. Since the deal made in 1959 or 1960—I am not too sure what year —whereby the western states would buy crude petroleum from western Canada and we would leave the eastern market alone our industry has been fairly healthy. So I felt that my supplementary question was very important.

I say to the minister through you, Mr. Speaker, that if we did enter into a deal with Soviet Russia in respect of crude petroleum there would be repercussions in the United States that would cramp our whole industry and bring about a serious depression in the industry, not only in western Canada but throughout Canada as a whole. The repercussions would not only be felt in the industry but in respect of our balance of payments position with the United States.

When you prevented my asking a supplementary question of that calibre and importance, Mr. Speaker, and allowed other

questions of lesser calibre and with really no national importance, then it was only natural that I should want to take up the matter at this time. I am not criticizing the minister's answer to my question. He said there was no truth in the statement and that they were merely negotiating. There is nothing wrong with negotiating as long as the government of Canada, whether Liberal or Conservative, does not bite.

Hon. Mitchell Sharp (Minister of Trade and Commerce): Mr. Speaker, I thank the hon. member for Bow River (Mr. Woolliams) for giving me an opportunity of saying one or two things about our national oil policy. If I may refer to the question the hon. member did ask, I shall quote from page 3536 of *Hansard* for May 25, 1964:

> Is the Minister of Trade and Commerce continuing the national oil policy so that we may accelerate our exports in this field to a target of approximately 800,000 barrels of crude petroleum a day, taking into account the amount we use domestically?

I am sure my hon. friend does not read all my speeches, but perhaps I may refer him to a speech I made in Calgary on February 3 in which I said, amongst other things, that I agreed with the national oil policy which had been enunciated by the previous government. I agreed that this was a good policy. I went on to say that as soon as possible after this government took office I made clear that this policy would be continued and carried forward.

I then went on to say in the concluding part of this speech that I thought it was necessary to establish new targets. At that time I said I thought it was feasible and desirable to establish a target figure for 1964. I quote from that speech:

> After considering the prospects for growth in the domestic market, for additional displacement by Canadian oil in the Ontario market, and for exports, we think average production should reach about 850,000 barrels per day.

I think my hon. friend would like to know that production for the first two months of this year was well in excess of this target, so that the figure of 800,000 barrels he somehow considers fairly satisfactory has been well exceeded. It seems to me that the industry is well within reach of the target, looking at the whole of the year, but to achieve it the industry will have to exert strong and continued efforts to supply Ontario west of the Ottawa valley with products of refined Canadian crude. I feel confident that the industry will do this and achieve its objective.

Mr. Woolliams: Mr. Speaker, I am not going to say anything except to thank the minister.

Proceedings on Adjournment Motion

CROWN ASSETS—DISPOSITION OF EQUIPMENT OF CLOSED RADAR STATION

[*Translation*]

Mr. Auguste Choquette (Lotbinière): Mr. Speaker, I am very grateful to the Minister of Defence Production (Mr. Drury) because, within a week, it is the second time that he is here for this question period between 10 and 10.30 in the evening to consider the matter of the radar station in St. Sylvestre.

That name has become quite familiar to the ears of hon. members and they are all aware that this famous station is located in the riding of Lotbinière.

Mr. Speaker, here is the matter I want to call to the attention of the minister in his capacity as Minister of Defence Production: there is in St. Sylvestre some material and equipment worth quite a lot of money and I would like to know what the Minister of Defence Production intends to do with it.

Is the minister willing to dispose of that material and equipment which would not have any military use and, in such a case, is he willing to set what I would call a nominal price for it, in order to stimulate the interest of the industrialists or other people who might be interested in operating the existing facilities?

The minister is aware, I think, that an association that goes by the name of "Centre d'initiative de Saint-Sylvestre" was created recently. It is made up of the following members: the mayor of the parish of St. Sylvestre, Mr. Onésime Nappert, a well known citizen because last year he won the title of maple king of the province of Quebec, Messrs. Henri Dion, André Huppé, Edouard Cotter, Arthur Barbeau, Louis R. Ruel, Paul Théberge, Yvan Dallaire, of Levis, and Gaston Blais, of Lauzon, who would like to set up a recreation centre in St. Sylvestre.

That project is just as good as any other, and if the minister were willing to sell all the equipment at St. Sylvestre for a reasonable price, I am sure that that would encourage some organization to operate that centre for the welfare of the people who live in the riding of Lotbinière, who enjoyed a certain prosperity after the establishment of the radar station. In fact, the closing down of that station is causing some worry, and that is why I insist so often on this subject in the house. That is why I spare no effort to convince the minister of the urgency of maintaining the local economy at the level it reached because of the radar station.

I appreciate the fact that the Minister of Defence Production is a man of great honesty and competence. If I speak of honesty, it is because, at one time, some people expressed

the fear that the disposal of equipment by the Minister of Defence Production might lead to speculation. We must prevent that, and if the government is willing to get rid of the equipment in question, I hope it will do so to the advantage of the St. Sylvestre area and in such a way as to prevent certain financiers, who always find a way to profit from such situations, from running off with everything. The proposed centre would be quite advantageous for the residents of St. Sylvestre, since the radar station is in the immediate neighbourhood. That is why I would like them to have the same chance as big speculators.

That is the question I wanted to put to the minister. I thank him for his kindness, since this is the second time he comes to the house to speak about St. Sylvestre during this period.

Hon. C. M. Drury (Minister of Industry): Mr. Speaker, I think hon. members are well aware of the situation concerning the radar stations at St. Sylvestre and elsewhere. The government knows quite well how important is the problem of disposing of the assets represented by the radar stations and other national defence establishments which are about to be closed for major policy considerations.

What the government is trying to do is to find a means, both in the parish of St. Sylvestre and elsewhere, to maintain the activity brought about by the establishment of radar stations.

In the case of St. Sylvestre, it is obvious that, because that station is located in a rural area, at a good distance from railways and highways, it is quite difficult to find an industry willing to establish itself there. However, it is possible that some organization will be found which could use that equipment. My department is now looking for such organization.

For example, there may be some public education institution which could use it, because it could shelter the students, and it would not cost too much.

Again, a public health institution could establish a sanatorium there.

But, I must say to the hon. member that, for the time being, we have little hope that an industry will want to set up shop in that radar station. I will admit frankly that up to now efforts we have made along those lines have been to no avail.

We are now considering with the authorities of the province of Quebec and officials of public institutions suggestions which, we hope, will lead to the utilization of that radar station.

I wish to commend the hon. member for his suggestion that the equipment of the radar station be turned over to an initiative centre. The establishment of such a centre is definitely what is needed and I hope its directors will succeed beautifully. The officials of the development agency will surely help them to find the means to use that radar station—

Mr. Speaker: Order.

Mr. Drury: —but the hon. member will understand that we cannot give equipment to an institution—

[*Text*]

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

HOUSE OF COMMONS

Wednesday, May 27, 1964

The house met at 2.30 p.m.

JAWAHARLAL NEHRU

TRIBUTES ON DEATH OF PRIME MINISTER OF INDIA

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, hon. members of the house will have heard with regret of the death of the Prime Minister of India, a sister member of the commonwealth of nations. The death of Mr. Nehru is a loss not only to India and her people, who knew him best, but a loss to all mankind. Among the leaders of this century no one had made a greater impact on his time. No one has been more dedicated to the proposition that peace should prevail among nations and freedom should exist among men than the Prime Minister of India.

His talents and his energies were long devoted to the cause of India's independence, and when that was achieved he became a strong supporter of India's association in the commonwealth of nations. As the leader of his country his aim was to bring social justice and dignity to India's common man. He inspired respect amongst his adversaries, affection in his friends and confidence in his followers and admiration of all men.

Our sympathy, Mr. Speaker, goes out to his countrymen in their loss, to his colleagues in the government of India, and especially to his family.

Right Hon. J. G. Diefenbaker (Leader of the Opposition): Mr. Speaker, Jawaharlal Nehru belonged to that select group of men who, in any day and generation, leave their imprint upon mankind. He was a man who was educated in the British tradition. He attended Harrow, graduated from Cambridge and became a member of the bar of the inner temple. Orator, political philosopher and scholar, Nehru was a man immortal while still living. The Prime Minister will find when he attends the meeting of the prime ministers of commonwealth countries a few weeks hence that sitting around the table there will be five or six representatives of various commonwealth countries who at one time or another served terms in jails or penitentiaries for their activities on behalf of what they believed to be right.

Nehru fought for independence, as the Prime Minister has said, and having done so he then became a strong, powerful and devoted servant of the commonwealth as a whole. He gave to India or continued in India the British tradition of parliamentary government, the rule of law and above all the principles of freedom based on British justice. A man of commanding personality, a mystic, a political philosopher and a practical politician, he combined in himself the unusual number of ingredients necessary for political and national greatness. He had a sense of humour and at all times, as the Prime Minister has said, was devoted to the welfare of the average man.

India has lost its greatest. When I say that I am not unmindful of the tremendous contribution of Mahatma Gandhi. The commonwealth has lost a devoted friend and counsellor without whose dedication, following the achievement of India's independence, India would not have continued in the commonwealth of nations.

The world has lost a great figure, and I associate myself with the Prime Minister in extending our sympathy to the president and people of India, to the members of the immediate family and to his sister Madame Pandit, who for so many years strengthened his hand and stood with him amidst all the trials and tribulations that were his.

Mr. T. C. Douglas (Burnaby-Coquitlam): Mr. Speaker, all lovers of democracy will be saddened at the death of Prime Minister Pandit Nehru. I think history will record him as one of the half dozen great statesmen of our century.

Pandit Nehru and Mahatma Gandhi were the architects of India's independence, and it is a tribute to their powers of leadership, as well as to British statesmanship, that India was able to move from colonial status to nationhood with a minimum of rancour and bitterness. It was typical of the man that he was able to say, after India had attained her independence, "I spent 11 years in a British jail but I have the highest regard for British

traditions," and he carried that regard into building a parliamentary democracy in the country whose freedom he had helped to bring about.

Today, in Asia, India is like a light upon a hill, a demonstration that it is possible without any diminution of democratic principles, to bring about economic advancement and social justice. It is significant that the last public speech Prime Minister Nehru made was a plea for better relations between India and Pakistan, a plea directed not to Pakistan but to his own people to show the tolerance and forebearance which alone could establish a new basis for discussion.

Mr. Speaker, democracy has lost a great champion. India has lost a great leader. I am sure all hon. members of the house will extend to the government and the people of India their deepest sympathy in this sad hour in their nation's history.

Mr. R. N. Thompson (Red Deer): Mr. Speaker, India and the world have lost a truly great man. The late Prime Minister Nehru was not only one of the outstanding statesmen in this post-world war II era but also the champion of democratic parliamentary government, leading India from colonialism to independence to become the largest democratic country in the world.

Certainly it was no small achievement to have built this former colony into a democratic nation, giving the right of the free vote to more than 400 million people. His selfless dedication and courageous determination were directed to all mankind and to the peaceful development of his country and the world.

We in this party join with the Prime Minister, with all hon. members of the house and I am sure with all Canadians in extending our sympathy and regrets to the government of India, to the people of that great country, and to the Nehru family.

[*Translation*]

Mr. Réal Caouette (Villeneuve): Mr. Speaker, the beloved leader of a friendly country is no more.

Mr. Nehru was the beloved leader of a friendly government. He was also the supporter and champion of all worthy causes, the defender of the weak, the friend of oppressed countries and a relentless worker on behalf of peace in the world.

Without being a narrow minded nationalist, Mr. Nehru espoused the cause of any oppressed country, the same way he undertook to fight for freedom in his own country.

As he said himself:

> We do not seek to dominate any country and we do not want to meddle in other people's affairs. Our main task in world affairs is to maintain peace and ensure that the equality of all races is recognized and that all people under foreign domination become free.

He believed in democracy, not the simple democracy that results from the free exercise of the right to vote.

> Democracy, he said, means tolerance, not only of those who share our views but also and especially of those who do not.

His concept of freedom was not limited to political rights alone but it covered everything that contributes to the welfare of man.

> True freedom, he said, is not purely political, it must also be economic and spiritual.

Mr. Nehru was the friend of the masses. He said one day:

> Our main problem today is to raise the living standard of the masses, enable them to satisfy their needs, enable them to live decently and help them not only to enjoy material things but also cultural and spiritual values.

Not only the Indians, not only the people from Asia but all the men of the world, all freedom and justice loving men lose a defender and a friend.

So we join with the Prime Minister of our country (Mr. Pearson) in extending to the Indian people our deepest sympathy.

[*Text*]

Mr. Speaker: Out of respect for the memory of the late Prime Minister Nehru of India may I invite all hon. members and all those in the galleries to stand for one minute in silent tribute.

Whereupon members of the house rose and stood in silence.

HOUSE OF COMMONS

PRESENCE IN GALLERY OF ITALIAN FOREIGN TRADE MINISTER

Hon. C. M. Drury (Minister of Industry): I should like to draw your attention, Mr. Speaker, to the presence in the diplomatic gallery of a very distinguished guest, Signor Ministre Bernardo Mattarella, who is the minister of foreign trade of Italy.

Some hon. Members: Hear hear.

PRIVILEGE

MR. PIGEON—RESOLUTION ON "VOTES AND PROCEEDINGS" RESPECTING FLAG

[*Translation*]

Mr. L. J. Pigeon (Joliette-L'Assomption-Montcalm): Mr. Speaker, I rise on a question of privilege.

My remarks are based on the *Votes and Proceedings* of the house dated May 26, 1964, and on the answers given to the house by the Prime Minister in the past two weeks concerning a Canadian flag, and particularly on the reply which he gave to the question I put to him yesterday and which appears on page 3581 of *Hansard*.

Mr. Speaker, the answers given in the house by the Prime Minister in the past two weeks clearly suggested that the government would submit a resolution for the adoption of a Canadian flag and a Canadian anthem.

However, the resolution appearing in the *Votes and Proceedings* of May 26, 1964 asks, for various reasons, recognition by Canada of two flags and two anthems.

Mr. Speaker, in view of that resolution and the answers given in this house by the Prime Minister, I maintain that, by his wiliness and weakness, the Prime Minister has derided the Canadian people and, both by what he said and left unsaid, has misled the hon. members of this house.

That is why I want to express all the humiliation I feel as a result of such trickery and I am not afraid to say, at this stage of our proceedings, that such behaviour on the part of the Prime Minister could very well destroy mutual trust and respect, and spread confusion and dissension across Canada.

Hon. Yvon Dupuis (Minister without Portfolio): Insignificant, as usual.

Mr. Pigeon: Mr. Speaker, once again on a question of privilege. I ask the Minister without Portfolio to take back his words.

[*Text*]

Mr. Speaker: Order, please.

[*Translation*]

Mr. Dupuis: Mr. Speaker, I said that it was insignificant as usual.

[*Text*]

Mr. Speaker: Order, please. I listened with a great deal of attention to the words of the hon. member, but they impress me as a grievance more than a question of privilege.

[*Translation*]

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

I was very polite in this house when I rose on a question of privilege, and I cannot allow the Minister without Portfolio, the hon. member for St. Jean-Iberville-Napierville (Mr. Dupuis), to show a lack of education and courtesy in this house. I hope that the Prime Minister will teach him a lesson one of these days, as the governor general himself has already done.

Mr. Dupuis: Mr. Speaker, the previous remarks of the hon. member for Joliette were insignificant but those he just made are impertinent.

Mr. Pigeon: You ill-mannered lout.

[*Text*]

MR. CHRÉTIEN—REMARKS OF C.B.C. COMMENTATOR

[*Translation*]

Mr. Jean Chrétien (St. Maurice-Laflèche): Mr. Speaker, I also want to rise on a question of privilege which, I feel, is much more important for Canadian unity than the one which has just been raised.

Following the comments made last night during the program "Viewpoint" on the English network of the C.B.C., French speaking members on this side of the house want to dissociate themselves from the arrogance shown by the commentator, Mr. Dubuc, who may be a humorist when he expresses himself in French but is certainly not so when he speaks in English.

[*Text*]

MR. ORLIKOW—PROCEDURES RESPECTING SECURITY INVESTIGATIONS

Mr. David Orlikow (Winnipeg North): Mr. Speaker, I rise on a question of privilege. On Monday last the Prime Minister replied to my question dealing with the government's security investigations policy, to the effect that the government's policy had been approved and "formally communicated to all government departments and organizations", but that "It is not customary to send directives such as this to employees or associations, nor are administrative directives normally tabled in the House of Commons".

On October 25 last year the Prime Minister, in dealing with the many questions on this matter, announced that new procedures would be adopted. Apparently this has now been done. Mr. Speaker, it is absolutely

necessary that the government's policy should be given the widest publicity. The rights of Canadian citizens and government employees are more important than the privacy of a few government ministers or top civil servants. In the light of what has happened and what became apparent last week in Toronto, as exemplified in the Hooper case, we all have a right to question whether top government civil servants are always concerned about the rights of ordinary people.

If the statement which the Prime Minister made during the last session had any meaning, we and the people of Canada have a right to know the policy with regard to security which has been evolved by the government, and this will not be done by keeping it secret except for a few high government officials. This policy should be given to this house publicly.

Mr. Speaker: I am sure the viewpoint as expressed by the hon. member for Winnipeg North has been heard with interest by the responsible officials.

Mr. Fisher: How about a reply?

Mr. Andrew Brewin (Greenwood): Mr. Speaker, may I speak further to the question of privilege raised by the hon. member. I believe every member of this house is from time to time concerned with protecting the rights of those who feel that their rights have been infringed in respect of some of these security matters. A great many questions of this sort come before this house. It seems to me that we should have, as a matter of privilege in this parliament, a clear indication of what are the security regulations which the Prime Minister promised the house would be brought into effect as a result of the discussions in this house during the last session.

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, there will be an occasion to debate this matter on the estimates of the department, when the government will be very pleased indeed to make a full statement on the matter.

Mr. Speaker: It is my duty once more, and I hope it is the last time today, to call on the hon. member for Ontario (Mr. Starr) who has a question of privilege.

Mr. Starr: No, Mr. Speaker; I shall wait until the question period before orders of the day.

[Mr. Orlikow.]

PROCEDURE

Eighth report of special committee on procedure and organization—Mr. Speaker.

QUESTIONS

(Questions answered orally are indicated by an asterisk.)

R.C.M.P. VEHICLES, CUMBERLAND, N.S.—TENDERS FOR SALES AND SERVICE

Question No. 572—**Mr. Coates:**

1. What firms in Cumberland are invited to tender on the replacement of motor vehicles for the R.C.M.P. detachment at Amherst, Pugwash, Springhill and Parrsboro, and what dealerships do these firms represent?

2. What firms are invited to tender by the abovementioned detachments for the overhaul and repair of their motor vehicles?

3. From what firms in Cumberland may these detachments purchase oil and gasoline?

4. Are any firms in Cumberland excluded from the opportunity to tender on the replacement of motor vehicles, repair and overhaul of motor vehicles, and on the sales of oil and gasoline, for these detachments and, if so, what firms?

Mr. Favreau: 1. All bona fide dealers representing General Motor Products of Canada, Ford Motor Company of Canada, Ltd., and Chrysler (Canada) Ltd. are invited to tender on the replacement of motor vehicles for the four R.C.M. Police detachments in question.

2. Normally mechanical repairs to the police vehicles are performed in compliance with the manufacturer's warranty by the firm supplying the force with the vehicle.

3. Oil and gasoline may be purchased from any reliable service stations in the detachment areas.

4. Yes. The only motor vehicles which meet the requirements of the government motor vehicle committee specifications for police work are General Motors, Ford Motors and Chrysler products. As a result, all other firms representing Rambler, Studebaker, etc., are not presently given an opportunity to tender on the replacement of motor vehicles for the Royal Canadian Mounted Police.

No firms are excluded from tendering on the repair and overhaul of vehicles, or from supplying oil and gasoline.

MOTOR VEHICLE PURCHASES, JUSTICE DEPARTMENT

Question No. 588—**Mr. MacLean (Queens):**

From May 1, 1963 to March 1, 1964 how many motor vehicles have been purchased by the Department of Justice (a) manufactured or assembled

in Nova Scotia (b) manufactured or assembled in Ontario (c) imported from the United States (d) imported from other countries?

Mr. Favreau: (a) Nil; (b) 652; (c) four motorcycles; (d) Nil.

B.C. PENITENTIARY ROUTINE

Question No. 673—**Mr. Howard:**

1. With respect to the British Columbia penitentiary, for the days of the week Monday to Friday, at what time are inmates (a) let out of their cells to pick up breakfast (b) returned to their cells to eat breakfast (c) let out of their cells to return breakfast trays and proceed to work (d) returned to their cells for noon meal (e) let out of their cells to return noon meal trays and proceed to work (f) returned to their cells for evening meal (g) let out of their cells for evening recreation program (h) returned to their cells for lock up for night?

2. Of what does the evening recreation program consist, when was it reinstituted, and how many inmates are permitted to participate in it?

3. For Monday to Friday inclusive, what total number of hours per day does an inmate spend at (a) work, and (b) locked in his cell?

4. For Saturday, at what time are inmates (a) let out of their cells to pick up breakfast (b) returned to cells to eat breakfast (c) let out of their cells to return breakfast trays and proceed to what sort of activity outside of cells (if any) (d) returned to cells (e) let out of cells to pick up noon meal (f) returned to cells to eat noon meal (g) let out of cells to return noon meal trays and proceed to what sort of activity outside of cells (if any) (h) returned to cells (i) let out of cells to pick up evening meal (j) returned to cells to eat evening meal (k) let out of cells for evening recreation program (l) returned to cells for lock up for night?

5. For Saturday, what total number of hours does an inmate spend (a) in his cell and (b) out of his cell?

6. For Sunday, at what time are inmates (a) let out of their cells to pick up breakfast (b) returned to cells to eat breakfast (c) let out of their cells to return breakfast trays and proceed to what sort of activity outside of cells (if any) (d) returned to cells (e) let out of cells to pick up noon meal (f) returned to cells to eat noon meal (g) let out of cells to return noon meal trays and proceed to what sort of activity outside of cells (if any) (h) returned to cells (i) let out of cells to pick up evening meal (j) returned to cells to eat evening meal (k) let out of cells for evening recreation program (l) returned to cells for lock up for night?

7. For Sunday, what total number of hours does an inmate spend (a) in his cell, and (b) out of his cell?

Mr. Favreau: 1. (a) 0645 to 0720 hours; (b) 0650 to 0725 hours; (c) 0750 to 0815 hours; (d) 1110 to 1145 hours; (e) 1300 to 1330 hours; (f) 1555 to 1635 hours; (g) No evening recreation program in effect at the present time; (h) Not applicable.

2. Following the riot of April 19-20, 1963, the evening recreation program was discontinued because of inadequate security in the institution. A partial night recreation program of night exercise periods, from Monday to Thursday, was reinstituted July 22, 1963 after steps had been taken to reinforce security. Night exercise was discontinued on October 10, 1963 due to shortening daylight hours, inclement weather, inadequate lighting in the prison and exercise yards. Night exercise has been reinstituted on April 27, 1964, and will be continued until approximately the end of September. Inmates are unlocked commencing at approximately 1645 hours for night exercise and locked up by 1845 hours. All inmates living in association are permitted to take part in night exercise but because of the large population only half of them are permitted exercise each night. All inmates employed on inside work are permitted a daily exercise period from 1100 to 1145 hours from Monday to Friday even though they also participate in night exercise. Night exercise consists of individual and team sports.

3. (a) The number of hours per day that an inmate works, from Monday to Friday, varies with his work and cell location. In ranges from a minimum of 5½ hours to a maximum of 7½ hours. (b) The number of hours an inmate is locked in his cell would also vary as above from a minimum of 16½ hours to a maximum of 18½ hours. When participating in night exercise an inmate would be out of his cell for approximately 2 additional hours.

4. (a) 0750 to 0830 hours; (b) 0755 to 0835 hours; (c) 0850 to 0920 hours. Following the return of breakfast trays half the population is permitted to go to the exercise yard and the balance to the auditorium for recreation; (d) Not applicable; (e) Not applicable; (f) 1050 to 1130 hours; (g) 1245 to 1315 hours. In the afternoon half the population is permitted to go to the exercise yard and the other half is permitted to attend a movie in the auditorium or go to the exercise yard; (h) 1530 to 1545 hours; (i) 1545 to 1625 hours; (j) 1550 to 1630 hours; (k) No evening recreation program; (l) Not applicable.

5. (a) On the average an inmate would be in his cell for 19 hours on Saturday. This varies with his cell location and does not take into account the time that he is out of his cell picking up meals. (b) On an average of 5 hours but this is qualified as in (a).

6. (a) 0750 to 0830 hours. (b) 0755 to 0835 hours. (c) 0850 to 0920 hours. Inmates wishing to attend religious services are permitted to do so on Sunday mornings following the return of breakfast trays. No exercise periods are permitted while religious services are

being held. (d) 1030 to 1045 hours. (e) 1050 to 1130 hours. (f) 1055 to 1135 hours. (g) 1245 to 1315 hours. Half the population is permitted to go to the exercise yard; and the other half to attend a movie in the auditorium or go to the exercise yard. The same movie is shown Saturday and Sunday and that half of the population permitted to attend is rotated. (h) 1530 to 1545 hours. (i) 1545 to 1625 hours. (j) 1550 to 1630 hours. (k) No evening recreation program. (l) Not applicable.

7. (a) On an average an inmate would be in his cell for 19 hours on Sunday. This varies with his cell location and does not take into account the time that he is out of his cell picking up meals. (b) On an average of 5 hours but this is qualified as in (a).

STUDY OF LOCK TWINNING, WELLAND CANAL

Question No. 765—**Mr. Smith:**

Has any study been made, or is any consideration being given to the possible effect of twinning the locks in the Welland canal on water levels in the great lakes?

Mr. Pickersgill: The twinning of the locks in the Welland canal will have no effect on water levels in the great lakes.

WINTER HOME CONSTRUCTION BONUS

Question No. 814—**Mr. Starr:**

1. How many applications were received for the $500 bonus under the winter home construction program?
2. How many qualified for this bonus as of April 15, 1964, when this program ended?
3. What is the total cost of this program in advertising, including all media?
4. What is the total cost of this program, including the $500 bonus?

Mr. MacEachen: 1. 32,614.

2. As the final tabulation of accepted applications has not been completed, the information is not yet available.

3. $227,399.96.

4. Since the final tabulation of accepted applications has not as yet been completed, this information is not available at this time.

C.N.R. CONTRACTS FOR MAIL BY TRUCK

Question No. 834—**Mr. Grégoire:**

1. Is it the practice of the Canadian National Railways to give contracts for carrying mail by truck to salaried employees, thus allowing them to act as employees and contractors at the same time?
2. If such is the case will the Minister of Transport review the situation?
3. Could the Minister of Transport inquire as to whether Edmond Larouche of Jonquière, a regular employee of the C.N.R. is acting in this manner, using his father's and brother's names to disguise his activities as a contractor?
4. Is the minister able to give the names of all the directors of the company which had undertaken these contracts, other than those of Adrien Larouche and Emile Larouche?

[*Translation*]

Answer: The management of the Canadian National Railways advises as follows:

1. The awarding of contracts for the carriage of mail by truck is the sole responsibility of the Post Office Department and the company has no such contracts respecting mail service in the province of Quebec.

2. See answer to part 1.

3 and 4. The requested information is not available within the company.

[*Text*]

RECOMMENDATIONS OF JOINT INDIAN AFFAIRS COMMITTEE

Question No. 869—**Mr. Howard:**

What action, in detail, has been taken with respect to each of the following recommendations of the joint committee of the Senate and the House of Commons on Indian affairs:

"(a) Special depreciation allowances should be allowed Indian commercial fishermen.

(b) All existing liquor restrictions should be deleted from the Indian Act; and the same rights extended to non-Indian citizens of the various provinces be applicable to Indians, except that the right of possession and consumption on the reserve be granted only after approval by a majority vote of the band.

(c) Sections 32 and 33 of the Indian Act relating to the sale or barter of produce from reserves in the three prairie provinces should be deleted.

(d) Provincial courts should have jurisdiction to deal with Indian estates."?

Mr. Badanai: (a), (b) and (c) These recommendations would require legislation to implement with relevant changes in existing provisions of the Indian Act. A review of the Indian Act is proceeding as quickly as sound and thorough consideration will permit with the objective of submitting appropriate amendments. (d) Steps are being taken to implement this recommendation. Present practice is to consent or direct that the administration of Indian estates of substantial value be referred to the provincial courts pursuant to section 44 of the Indian Act. This will be gradually extended in scope as individual land holdings on reserves and other problems are resolved.

NUMBER OF UNEMPLOYED—ADMINISTRATION COST

Question No. 872—**Mr. Madill:**

1. How many were unemployed in Ontario in the months of (a) January (b) February, and (c) March?

2. How many were unemployed in the same months in the Dominion of Canada?

3. What is the administration cost to the province and to the dominion for this period?

Answer: 1. and 2. The number of unemployed in Ontario and Canada for the first three months of 1964 were:

	Ontario	Canada
January	120,000	466,000
February	115,000	467,000
March	105,000	456,000

3. The cost of administration of unemployment insurance during the same period is as follows:

	Ontario	Canada
January	$708,000	$2,510,000
February	698,800	2,540,000
March	660,000	2,380,000

REVOCATION OF PAROLES, MONTREAL

Question No. 886—**Mr. Orlikow:**

1. Has the attention of the Minister of Justice been drawn to a statement by Judge Claude Wagner concerning the revocation of 200 paroles in the city of Montreal last year?

2. How many paroles have been revoked in the city of Montreal during the past year and in each case what was the reason for such revocation?

3. How many, if any, of the paroles revoked in Montreal in the past year were because of crimes including robbery with violence, armed holdups, sex crimes and even murder?

4. How many, if any, people released on parole sentenced to life "found themselves free after seven years in prison...?

Answer: 1. Yes.

2. There were 40 cases with respect to parolees domiciled in the city of Montreal, including 18 cases of revocation ordered by the national parole board for the following reasons: Two further convictions (possess unregistered firearm; attempted theft); Two whereabouts unknown; Ten breach of abstinence clauses, plus and/or poor behaviour, poor associations, leave area without permission; One leave area without permission and failure to support family; Three poor behaviour, and/or failing to co-operate with supervisor; facing further charges.

Including also 22 cases of forfeiture by operation of the law in the following circumstances: six convicted of break, entry and theft; four convicted of theft of auto; three convicted of theft; one convicted of theft and receiving; one convicted of receiving; two convicted of possession of articles obtained by crime; one convicted of assault causing bodily harm; two convicted of robbery with violence; one convicted of false pretences; one convicted of attempted break and enter.

3. Two robberies with violence; no armed holdup; no sex crime; no murder.

4. Were paroled to establish their residence in Montreal: W.M. 7319 after serving seven years, three months and 11 days; W.M. 7320 after serving seven years, three months and 11 days.

EXTENSION OF WINTER WORKS PROGRAM, QUEBEC

Question No. 911—**Mr. Gauthier:**

1. Which municipalities in the county of Roberval have asked that the winter works program be extended beyond April 30, 1964?

2. Have any representations been received from the municipal affairs department of the province of Quebec advocating an extension of the program for at least 30 days?

Mr. MacEachen: 1. The following municipalities in the county of Roberval have asked that the winter works program be extended beyond April 30, 1964: Dolbeau (town); Saint Felicien (town); Roberval (town); corporation of St. Francois de Sales.

2. No specific endorsement received.

COMMUTATIONS OF DEATH SENTENCES

Question No. 920—**Mr. Latulippe:**

1. During the last five years how many death sentences were commuted to life imprisonment?

2. Of such commutations how many persons condemned to life imprisonment were subsequently liberated for good conduct?

Mr. MacNaught: 1. 37.

2. None.

FISCAL AGREEMENT, CANADA-JAPAN

Question No. 938—**Mr. Latulippe:**

1. Has the Minister of Finance been approached by Mr. Tsunao Okumura, president of The Numura Securities Co. Ltd., of Tokyo, concerning a future fiscal agreement between Japan and Canada and, if so, what requests were made by Mr. Okumura?

2. Has the minister considered the possibility of entering such an agreement in the near future?

3. In so far as Canada is concerned, what are the main obstacles of such an agreement between the two countries?

4. Is it the government's intention to study the possibility of a Canada-Japan tax treaty?

5. Has the government any information concerning the wishes of certain Japanese companies in investing in eastern Canada?

[*Translation*]

Mr. Benson: 1. No.

2. No.

Questions

3. No agreement is contemplated except a tax treaty to avoid double taxation. No obstacles are contemplated.

4. Yes. It was announced on May 4 that representatives of Canada and Japan will hold talks in Ottawa beginning on May 25, 1964, with a view to entering into an agreement for the avoidance of double taxation of income.

5. No.

[*Text*]

CHEESE EXPORTS TO U.S.

Question No. 941—**Mr. Latulippe:**

1. Has the federal government asked the government of the United States for assistance in increasing the export of Canadian cheese to the United States and, if not, will consideration be given to taking such action?

2. What amount of Canadian cheddar cheese was exported to the United States for the past three years and what was its value?

3. For each of the other types of cheese, what was the (a) quantity (b) total of exports to each country in the world?

4. Is the Department of Trade and Commerce in communication with provincial departments in Quebec, Ontario and the other Canadian provinces with a view to promoting the export of Canadian cheese and, if so, in what manner, and who is acting on the federal government's behalf?

5. Are there any negotiations presently going on with a view to promoting exports of cheese?

[*Translation*]

Answer: 1. The Canadian government brought up the matter of the quotas of U.S. imports of Canadian cheddar cheese at the meeting of the U.S.-Canada joint committee on commercial and economic affairs held here in Ottawa on April 29 and 30. While the U.S. representatives did not undertake to increase or reduce such quotas, they are perfectly aware of the importance attached to that matter by Canada.

2. The exports of cheddar to the United States during the years 1961 to 1963 were as follows:

	Year	Cwt.	Value $
Category 51-30	1961	5,354	273,623
Cheddar cheese	1962	4,900	263,435
	1963	4,834	278,598

3. The other types of cheese were not entered separately in the statistics on Canadian exports. The total exports of Canadian cheese, other than cheddar, by country, during the years 1961 to 1963 can be found in the attached statement.

4. The Department of Trade and Commerce works in close co-operation with the provinces in view of the development of export markets and, as far as cheddar cheese is concerned, is in communication with the representatives of the Quebec provincial government and the Ontario cheese marketing board in order to promote exports. For some time now, that board has taken active participation in our department's exhibition program. In everything concerning the development of cheddar exports, the agriculture and fisheries branch of the trade and commerce department, working in close co-operation with the dairy products division of the Department of Agriculture keeps in communication with the provincial governments.

5. The Kennedy round of trade negotiations gets under way this year in Geneva. It was agreed that negotiations on farm products, including dairy products, would not be separated from those trade negotiations. On that matter, the Canadian delegation will especially keep in mind the advantages there would be for Canada to expand her export markets of cheddar cheese.

Questions

TOTAL EXPORTS OF CANADIAN CHEESE OTHER THAN CHEDDAR, BY COUNTRY, 1961-63

Cheese n.o.p. (Class 53-39)

Country	1961		1962		1963	
	Hundred-weight	$	Hundred-weight	$	Hundred-weight	$
United Kingdom	—	—	30	1,150	1,840	74,585
Belgium and Luxemburg	56	1,980	90	2,700	4	211
Denmark	—	—	—	—	46	2,154
Western Germany	—	—	—	—	6	230
Kowait	—	—	—	—	6	350
Lebanon	—	—	—	—	45	2,216
Nigeria	—	—	7	241	150	9,880
Rhodesia and Nyassaland	—	—	2	65	—	—
Hong Kong	—	—	10	307	3	160
Japan	—	—	—	—	4	212
Australia	—	—	—	—	15	813
Malaysia and Singapore	—	—	5	216	—	—
British Guiana	140	6,809	124	5,660	67	3,487
Venezuela	640	29,181	—	—	—	—
Bahamas	503	19,771	520	20,319	706	29,454
Bermuda	110	4,571	174	7,517	347	16,064
British Honduras	155	5,803	137	5,044	80	3,645
Barbados	96	5,103	197	9,495	67	3,763
Jamaica	275	12,952	304	15,210	166	9,075
Windward and Leeward Islands	210	10,383	508	22,808	244	12,259
Trinidad and Tobago	482	24,071	432	21,328	360	17,149
Salvador	—	—	—	—	12	444
Honduras	5	665	—	—	—	—
Dutch East Indies	3	188	4	240	—	—
Panama	115	3,700	302	10,624	468	18,445
St. Pierre and Miquelon	54	2,876	136	7,311	87	4,616
United States of America	718	38,955	762	48,435	1,008	54,473
Total	3,562	167,008	3,744	178,670	5,740	263,685

TOTAL EXPORTS OF CHEDDAR CHEESE, BY COUNTRIES, FROM 1961 TO 1963

Cheddar cheese (class 51-30)

Country	1961		1962		1963	
	100 lbs.	value	100 lbs.	value	100 lbs.	value
		$		$		$
United Kingdom	183,216	5,790,611	260,576	8,310,028	243,938	8,338,366
Belgium and Luxemburg	860	28,550	680	23,684	736	26,481
Koweït	—	—	—	—	3	211
Lebanon	—	—	6	259	34	2,448
Nigeria	—	—	30	1,537	38	2,885
Congo	398	10,348	—	—	—	—
Hong Kong	—	—	—	—	1	50
Japan	1	100	—	—	—	—
Australia	7	461	19	1,278	26	1,806
British Guiana	—	—	82	3,052	—	—
Peru	—	—	—	—	4	290
Bahamas	1,097	48,446	1,505	64,990	1,572	74,082
Bermudas	209	9,372	320	13,524	237	11,674
Barbados	—	—	56	2,978	9	627
Jamaica	194	6,489	72	3,166	44	3,356
Leeward Isles and Windward Isles	181	8,497	510	22,590	388	17,843
Trinidad and Tobago	—	—	2	70	612	19,331
St. Pierre et Miquelon	7	298	25	1,018	10	425
United States	5,354	273,623	4,900	263,435	4,834	278,598
Total	191,524	6,176,795	268,783	8,711,609	252,486	8,778,473

Questions

[*Text*]

CANADIAN AERONAUTICS INDUSTRY

Question No. 943—**Mr. Latulippe:**

1. Has any Canadian trade mission left for Australia, New Zealand and Japan and, if so (a) what is the mission's objectives (b) who comprise it (c) what products of the Canadian aeronautics industry will the mission attempt to promote?
2. To which countries did this industry export its products last year and what was the total value of such exports?
3. What were the principal imports by the aeronautics industry last year and what was the total value of such imports?
4. What is the number of persons employed in the Canadian aeronautics industry?
5. What was the government's contribution last year, through the R.C.A.F., to this industry?

[*Translation*]

Answer: The Canadian trade mission for the aircraft industry left Vancouver on April 15, 1964, to spend a month in Australia, New Zealand and Japan.

(a) The mission has the following objectives:

i. sounding the Australian, New Zealand and Japanese needs as far as aircraft and related material are concerned, in respect of possible trade outlets for Canadian products.

ii. discussion of programs under way or planned concerning every aspect of the aircraft industry, in view of selling Canadian products.

iii. informing officials with regard to aircraft products made in Canada.

iv. giving information with regard to the scope and possibilities of the Canadian aircraft industry.

v. establishing good relations in view of future visits by selling teams or local representatives of Canadian companies.

(b) Members of the Mission: Air Commodore D. S. Blaine (Retired), Assistant to president, Air Industries Association of Canada, Ottawa (Ont.)

Air Commodore R. H. Bray, assistant member, air council, technical services, Ottawa (Ont.)

Mr. Gordon C. Clarke (secretary of mission), Department of Trade and Commerce, Ottawa (Ont.)

Mr. C. H. Dickins, Vice President, Sales, de Havilland Aircraft of Canada Ltd., Downsview (Ont.)

Mr. J. W. R. Drummond, Vice President, Administration, United Aircraft of Canada Ltd., Longueuil (Que.)

Mr. A. J. Lilly, Assistant to President, Canadair Limited, Montreal (Que.)

Vice Air Marshall J. L. Plante (Retired), Vice President and General Manager, Collins Radio Company of Canada Ltd., Toronto (Ont.)

Mr. C. Douglas Reekie, Executive Vice President, Northwest Industries Limited (representing Canadian Aviation Electronics) Edmonton (Alta.)

Mr. James E. Smith, Vice President, Engineering and Marketing, Computing Devices of Canada Ltd., Ottawa, Ont.

Mr. D. L. Thompson, Director, Aircraft Branch, Department of Defence Production, Ottawa, Ont.

Mr. G. R. Wooll, Vice President and Director-Manager, Genaire Ltd., St. Catharines, Ont.

(c) The Canadian trade mission of the aeronautical industry was set up for sales promotion of products of all sectors of the Canadian aeronautical industry. The mission includes representatives of manufacturers of aircraft, aircraft motors, inboard communication systems, inboard navigation systems and their components.

Its activities are not limited to products manufactured by companies represented by the mission. The mission was set up for the benefit of the whole Canadian aeronautical industry.

2 and 3. Exports and imports figures are given by products rather than by industries. Exports and imports of aircraft, aircraft motors and aircraft parts for 1963 are shown in attached statements.

4. In 1962, the aircraft and aircraft parts manufacturing industry employed 28,254 persons.

5. In the fiscal year 1963-64, the R.C.A.F. paid the aeronautical industry $162.5 million. This is a preliminary figure to which year-end supplementary accounts have to be added.

Questions

Aircraft, aircraft motors and aircraft parts exports in 1963

Aircraft together with motors (type 600-19)

Countries	Canadian Products Number	Canadian Products Amount	Re-exports Number	Re-exports Amount
France	2	$ 229,000		
Kuweit	2	1,328,874		
Saudi Arabia	1	64,933		
Ghana	3	1,389,453		
Nigeria	3	372,505		
South African Republic			1	$ 45,000
Congo	4	415,167		
India	7	2,332,072		
Pakistan	2	124,592		
Japan			2	611,440
Australia	4	151,675		
New Zealand	1	49,955		
British Guiana			1	20,000
Brazil	14	130,800	1	52,611
Columbia	2	111,170		
United States	61	25,939,845	30	550,052
Totals	106	$32,640,041	35	$1,279,103

Exports of aircraft, aircraft motors and parts in 1963
Aircraft motors and parts (class 600-39)

Country	Canadian Products Number	Canadian Products Amount	Re-exportations Number	Re-exportations Amount
United Kingdom	1	$ 233,284	11	$ 1,671,402
Ireland	—	—	—	644
Belgium and Luxemburg	—	345,537	—	64,263
Denmark	—	21,353	1	35,751
Finland	—	147,595	—	114,146
France	—	802,815	1	592,643
Western Germany	—	1,410,058	—	87,685
Greece	—	23,457	—	11,290
Italy	—	104,986	—	41,188
Netherlands	—	73,844	—	65,485
Norway	—	839,928	—	589,389
Portugal	—	409,627	—	102,260
Spain	—	260,360	—	120,232
Sweden	—	34,990	—	16,083
Switzerland	—	333,488	—	241,758
Yugoslavia	—	34,775	—	17,787
Ethiopia	—	52,780	—	35,390
Iran	—	832	—	2,372
Israel	—	7,975	—	1,254
Lebanon	—	12,200	—	104
Saoudi Arabia	—	21,462	—	14,775
Turkey	—	2,967	—	1,075
United Arab Republic-Egypt	—	117	—	251
Kenya	—	47,365	—	22,745
Ghana	—	—	—	496
Rhodesia and Nyasaland	—	61,112	—	33,287
South African Republic	—	747,546	—	49,314
Angola	—	214	—	—
Congo	—	97,903	—	33,545
French Equatorial Africa	—	2,848	—	297

Country	Canadian Products Number	Canadian Products Amount	Re-exports Number	Re-exports Amount
Mozambique	—	33,112	—	21,547
Portuguese Africa	—	484	—	279
Ceylon	—	—	—	864
Hong Kong	—	274,683	—	72,793
India	—	74,877	—	97,489
Pakistan	—	46,733	—	15,613
Burma	—	11,629	—	3,173
Indonesia	—	6,601	—	7,404
Japan	—	291,891	—	157,173
Philippines	—	1,088	—	—
Taiwan	—	5,608	—	4,828
Viet Nam	—	100	—	—
Australia	—	138,709	—	86,593
New Zealand	—	54,376	—	31,389
British Guiana (Guiana)	1	200	—	1,040
Argentina	—	34,231	—	13,462
Brazil	—	297,487	—	106,443
Chile	—	80,559	—	25,794
Columbia	—	380,810	—	101,354
Peru	—	129,669	—	51,414
Uruguay	—	12,443	—	18,031
Venezuela	—	11,989	—	8,670
Bermuda	—	—	—	735
Windward and Leeward Islands	—	3,140	—	—
Trinidad and Tobago	—	138	—	395
Cuba	—	100,490	—	—
Honduras	—	—	—	448
Mexico	—	109,063	—	77,530
Dutch West Indies	—	—	—	617
Puerto Rico	—	309	—	73
United States	96	23,253,055	109	15,374,232
Totals	98	$31,484,892	122	$20,246,294

Export of aircrafts, aircraft motors and parts in 1963
Assemblies, material and parts, n.o.p. (class 600-99)

Country	Canadian Products Number	Canadian Products Amount	Re-exports Number	Re-exports Amount
United Kingdom		$ 697,866		$ 681,500
Ireland				3,396
Austria		905		
Belgium and Luxemburg		2,167,142		857,891
Denmark		1,555		
Finland		903		4,580
France		138,980		952,688
West Germany		7,605,195		1,862,232
Greece		4,838		
Iceland				594
Italy		2,630,066		828,854
Netherlands		2,154,833		62,858
Norway		8,777		4,198
Spain		1,559		
Sweden		12,220		20,870
Switzerland		2,232		550
Yugoslavia		39,525		
Kuweit		52,677		145,228

Questions

Country	Canadian Products Number	Canadian Products Amount	Re-exports Number	Re-exports Amount
Ethiopia		946		
Iran		5,008		29,969
Israel		197		
Libya		10,893		4,911
Saudi Arabia		16,543		42,476
Somaliland		3,590		
Sudan		248		1,688
Turkey		3,092		
United Arab Republic—Egypt		1,186		1,809
Ghana		165,763		129,254
Kenya		2,361		585
Nigeria		35,040		61,999
Rhodesia and Nyasaland		7,991		1,334
Sierra Leone		1,542		1,503
South African Republic		119,663		7,635
Angola		1,052		1,856
Congo				145
Gabon Republic		2,357		
Tunisia		170		
Hong Kong		350		613
India		157,298		116,676
Malaysia				785
Pakistan		14,534		33,876
Burma		3,706		3,835
Indonesia		14,509		43,395
Japan		233,053		19,194
Philippines		18,147		4,619
Taiwan		27,118		20,414
Viet Nam		600		
Australia		63,089		7,832
New Zealand		2,112		2,819
United States (Oceania)		134		
British Guiana		6,000		8,889
Falkland		4,614		1,005
Argentina		3,641		620
Brazil		6,421		2,142
Chile		1,698		188
Colombia		75,985		6,765
Peru		1,826		4,817
Surinam				196
Uruguay		11,156		285
Venezuela		7,528		2,904
Bermuda		100		
Barbados				2,485
Jamaica		691		231
Leeward and Windward Islands		7,530		
Trinity and Tobago		188		
Costa Rica		101		
Cuba		52,297		18,240
Mexico		4,887		2,686
Dutch West Indies		1,175		
Panama		162		442
United States		27,549,398		6,105,192
Total		$44,167,563		$12,121,748

Questions

Aircraft, aircraft motors and aircraft parts imports in 1963

Aircraft together with motors, (class 9170, 9171, and 9172)

Countries	Number	Amount
United Kingdom	5	$ 759,914
France	1	13,430
Western Germany	3	24,889
Sweden	2	1,398
New Zealand	1	40,786
United States	378	21,282,878
Totals	390	$22,123,295

Aircraft motors and parts (class 9176, 9177, 9178 and 9179)

Countries	Number	Amount
United Kingdom	7	$18,290,341
Belgium and Luxemburg	—	1,500
Denmark	—	1,859
Western Germany	—	665
Italy	—	108
Netherlands	—	23,680
Hong Kong	—	4,581
Australia	—	3,741
English Guiana	1	500
United States	381	29,439,133
Totals	389	$47,766,108

Aircraft assemblies, material and parts n.o.p. (class 9180)

Countries	Number	Amount
United Kingdom	—	$ 5,558,171
Belgium and Luxemburg	—	4,214
Denmark	—	2,914
France	—	88,342
Western Germany	—	73,043
Italy	—	1,018
Netherlands	—	29,382
Norway	—	10,116
Sweden	—	3,628
Switzerland	—	531
Japan	—	2,920
Australia	—	1,255
Venezuela	—	2,631
Bermuda	—	572
Wind Islands and Leeward Islands	—	2,165
Mexico	—	10,367
Puerto Rico	—	13,235
United States	—	84,255,277
Totals	—	$90,059,781

[*Text*]

FARM IMPROVEMENT ACT LOANS

Question No. 980—**Mr. Korchinski:**

1. How many farmers acquired loans under the provisions of the Farm Improvement Loans Act during the past year?

2. How many farmers acquired loans in the following categories during the past year: less than $1,000; $1,000 to $2,000; $2,000 to $3,000; $3,000 to $4,000; $4,000 to $5,000; $5,000 to $6,000; and $6,000 to $7,500?

[Mr. Latulippe.]

Mr. Benson: 1. During the calendar year 1963, the number of farm improvement loans

made was 77,373. The number of borrowers may be somewhat less since some farmers may have taken out more than one loan. Separate statistics on the exact number of borrowers under the act are not available.

2. Not available.

PASTURE CAPACITY UNDER P.F.R.A. AND ARDA

Question No. 992—**Mr. Korchinski:**

What is the present carrying capacity of all pastures operated under P.F.R.A. and ARDA in each of the provinces of Canada?

Mr. Lamontagne: In so far as the question relates to the Department of Agriculture: the estimated carrying capacity, for the 1964 grazing season, of all pastures operated under the Prairie Farm Rehabilitation Act in each province is as follows:

In terms of adult cattle, community pastures in	
Saskatchewan	98,450
Manitoba	32,750
Alberta	3,500
Total	134,700

Note: The carrying capacity, although described in terms of adult cattle, makes allowance for current year calves.

In so far as the question relates to the Department of Forestry since construction has just begun on many ARDA pastures approved to date, present carrying capacity is not available. However, the proposed ultimate carrying capacity (cow-calf units) of all ARDA pastures under construction when completed in each of the provinces is as follows:

	cow-calf units
Province of Saskatchewan	34,780
Province of Alberta	38,310
Province of Quebec	400
Province of Ontario	2,400
Province of British Columbia	4,200
Province of Nova Scotia	3,305
Province of New Brunswick	800

INVITATIONS TO SOLICITOR GENERAL, SKEENA CONSTITUENCY

Question No. 1,022—**Mr. Howard:**

Has the Solicitor General been invited to attend any function or visit any place in the electoral district of Skeena for 1964, and, if so, with respect to each such invitation, by whom was the invitation given, for what function or purpose, at what time or times, and has it been (a) accepted or (b) declined?

Mr. MacNaught: No.

Questions

INVITATIONS TO TRANSPORT MINISTER, SKEENA CONSTITUENCY

Question No. 1,024—**Mr. Howard:**

Has the Minister of Transport been invited to attend any function or visit any place in the electoral district of Skeena for 1964, and, if so, with respect to each such invitation, by whom was the invitation given, for what function or purpose, at what time or times, and has it been (a) accepted or (b) declined?

Mr. Pickersgill: No.

MEDICAL REQUIREMENTS FOR PRIVATE PILOT'S LICENCE

Question No. 1,034—**Mr. Aiken:**

Is consideration being given to amendment of medical requirements permitting the granting of a private pilot's licence to persons with monocular vision?

Mr. Pickersgill: No. Amendment of Canadian medical requirements along these lines on an unilateral basis would be inconsistent with our international undertaking to adhere to the minimum medical standards set up by the international civil aviation organization and which, in this respect, provide for a specific minimum of visual acuity in each eye separately and which consequently excludes a pilot with monocular vision.

The question of what privileges, if any, the pilot with monocular vision should have is highly controversial and, together with a number of other areas of difficulty in the application of the international personnel licensing requirements, we plan to seek an early review of these requirements by the international civil aviation organization.

CONTRACT BETWEEN T.C.A. AND TRANSAIR

Question No. 1,036—**Mr. Korchinski:**

Is the government satisfied that both parties have lived up to the agreement, signed by Trans-Air and Trans-Canada Air Lines, whereby TransAir was obliged to maintain passenger service for three years in return for certain aircraft and equipment being turned over to them?

Mr. Pickersgill: The agreement between TransAir Limited and Trans-Canada Air Lines was a private one and was only subject to air transport board scrutiny to the extent that its provisions were of assistance in determining whether the continued operation of the services in question was economically feasible.

Following public hearings, the board found in its decision dated March 18, 1964 that certain of the prairie services referred to in the agreement had occasioned TransAir Limited such substantial losses as to endanger the

continuation of the other prairie services operated by that carrier. The board, therefore, amended accordingly the route pattern set out in the licence of TransAir Limited.

Trans-Canada Air Lines has taken every required step to implement its part of the agreement. TransAir Limited is not in breach of the agreement, since it undertook "to operate on such route pattern as may be approved from time to time by the air transport board". In other words, TransAir has adjusted the route pattern of services referred to in the agreement with the approval of the air transport board as provided in the agreement.

Under the circumstances, the answer to the question is, yes.

SERVICE CENTRE, TORONTO AIRPORT

Question No. 1,054—**Mr. Douglas:**

With reference to the building of a $500,000 service centre at Toronto international airport which will be run by Shell of Canada Limited, what is the (a) amount of rent that Shell of Canada Limited will be paying to the Department of Transport (b) percentage share of revenues of Shell of Canada Limited which will be paid to the Department of Transport?

Mr. Pickersgill: Shell of Canada Limited will pay the following rent: (a) $11,115 per annum during the currency of the lease for the exclusive privilege of operating the service centre; (b) $6,144.75 per annum land rental; (c) 2 per cent of gross revenue excluding gasoline sales; (d) 3 per cent of gross gasoline sales revenue excluding road tax.

Items (b), (c) and (d) are subject to review at the end of ten years.

DATES FOR MONTHLY PAYMENTS TO BLIND AND DISABLED

Question No. 1,057—**Mr. Laprise:**

Has the federal government any agreements with the provinces which fix the dates for the making of monthly payments under the provisions of the Disabled Persons and Blind Persons Acts and, if so, has consideration been given to arranging for the making of such payments prior to major holidays such as Christmas and Easter?

Miss LaMarsh: Payments are made to recipients by the provinces under provincial law. In the agreements made by Canada with the provinces and territories under the authority of the Blind Persons Act and the Disabled Persons Act, the provinces and territories agree to administer allowances to the persons and under the conditions specified in the federal acts and the regulations made under the acts. Both acts contain a provision which reads "The allowance in respect of which the government of Canada is authorized by this act to make payments shall be payable monthly in arrears." Consideration has not been given to any change in this provision.

*CIVIL SERVICE COMPETITION 63-669

Question No. 1,059—**Mr. Pigeon:**

1. Was there a civil service commission competition No. 63-669 (Chief of information services, $8,310-$9,750) and, if so, on what date?
2. Did the commission demand a knowledge of the two official languages as a required qualification?
3. If the competition has been completed who obtained the position and, is the successful applicant bilingual?
4. Were there other competent, bilingual applicants in this competition?
5. Was a notice of the competition posted on the notice board at 444 Sussex street, Ottawa?

Mr. Stewart: I am informed by the civil service commission and the Department of National Revenue as follows:

1. Yes. The advisory examining board was held on December 27, 1963; oral boards were held on January 27, 28, and 29, 1964.

2. The competition poster contained the following statement concerning language qualifications—"A knowledge of both the French and English languages would be an asset".

3. Mr. Norman Riddiough obtained the position. He is not bilingual.

4. No other candidate met the qualifications.

5. Yes.

CANADIAN EXPORT COUNTRIES

Question No. 1,076—**Mr. Côté (Chicoutimi):**

To which countries were Canadian goods exported during the last five years?

[*Translation*]

Answer: Canadian goods were exported during the last five years to the following countries:

United Kingdom, Ecuador, French Guiana, Tunisia, Jordan, Austria, Surinam, India, Saudi Arabia, Finland, Bahamas, British East Indies, Syria, Afghanistan, United Arab Republic—Egypt, Leeward Islands and Windward Islands, Kenya, Norway, Costa Rica, Iran, Gibraltar, Ireland, Paraguay, Ceylon, Lebanon, Belgium and Luxemburg, Uruguay, Malaysia and Singapore, Somalia, France, Bermuda, British Honduras, Barbados, Iceland, Italy, Communist China, Indonesia, Mauritius and dependencies, Spanish Africa, Togo, Israel, Malta and Gozo, Peru, Hong Kong, Libya, Denmark, Venezuela, Pakistan,

Sudan, Germany—Federal Republic, Turkey, Greece, Jamaica, Cambodia and Laos, Ghana, Netherlands, Trinidad and Tobago, Korea, Rhodesia and Nyasaland, Sweden, El Salvador, Taiwan (China Republic), Bulgaria, Haiti, Viet Nam, Algeria, Hungary, Netherlands Antilles, New Zealand, Congo, U.S.S.R., United States, Virgin Islands, Gabon Republic, Cyprus, Kuweit, Argentina, Bolivia, Morocco, Chile, Colombia, Portugal, Cuba, Philippines, Sierra Leone, Switzerland, French West Indies, Uganda, South African Republic, Czechoslovakia, Honduras, Australia, Angola, Poland, Nicaragua, British Oceania, French Equatorial Africa, French Western Africa, Yugoslavia, Oceania (United States), British Guiana, Guinea, Ivory Coast, Qatar, Mozambique, Ethiopia, Iraq, Japan, Nigeria, Spain, Dominican Republic, Portuguese Asia, Tanganyika, Albania, Guatemala, Thailand, British Africa, Eastern Germany, Mexico, Fiji, Cameroon, Rumania, Panama, Puerto Rico, French Oceania, French Africa, Bahrain, Greenland, Falkland Islands, St. Pierre and Miquelon, Liberia, British Middle East, Brazil, Portuguese Africa.

[*Text*]

VETERANS LAND ACT LOANS

Question No. 1,080—**Mr. Chatterton:**

Is consideration being given to amending the Veterans Land Act so as to increase loans to full-time farmers under the V.L.A. in line with the proposed increase in loans under the Farm Credit Act as indicated by a resolution on the order paper and, if so, is consideration being given to increasing the loans to small holders under the V.L.A. also?

Mr. Teillet: Yes, consideration is being given as to which provisions of the Veterans Land Act, if any, warrant or require amendment.

*URANIUM PRODUCTION, GUNNAR MINES, SASK.

Question No. 1,083—**Mr. Douglas:**

1. What part of the British contract for the sale of uranium was transferred from the Bancroft area to Gunnar mines, Saskatchewan?
2. How many pounds of uranium were involved in the transfer?
3. Has Gunnar mines produced sufficient uranium to meet this allocation and, if not, to what company or companies has this production been allocated?
4. Will any part of the unfulfilled contracts be transferred to the Bancroft area?

Mr. Pepin: 1. It is assumed that the term British contract refers to the 12,000 ton contract entered into between Eldorado and the U.K.A.E.A. on July 30, 1962. In this event, the answer is, none.

2, 3, 4. Answered by 1.

Questions

* WINTER HOUSE CONSTRUCTION BONUS

Question No. 1,089—**Mr. Ricard:**

As of April 15, 1964 (a) how many applications have been submitted (b) how many payments have been made, for the $500 incentive bonus for winter built houses?

Mr. Byrne: (a) As of April 15, 32,575 applications had been submitted for certification of housing under the winter house building incentive program.

(b) April 15, 1964 was the date on which most final inspections on housing under the winter house building incentive program were carried out by Central Mortgage and Housing Corporation. Payments amounting to $778,000 had been made as of April 15, 1964 in respect of housing which had been completed and inspected by C.M.H.C. prior to the final inspection date.

*BUTTER AND BUTTER OIL

Question No. 1,090—**Mr. Marcoux:**

1. At what price was butter oil sold to iron curtain countries?
2. How much butter oil is made from a pound of butter?
3. How long is butter oil usually stored, and what is the yearly storage cost for a pound of butter?
4. What price is paid on the Canadian market for butter earmarked for storage?

Mr. Beer: 1. All butter sold for export has been sold at 27 cents per pound f.a.s. Canadian port.

2. Approximately four fifths of a pound of butter oil is made from a pound of butter.

3. Most of the butter oil in Canada has been stored from two to three years. The average yearly storage cost for a pound of butter is approximately two and three quarter cents.

4. The agricultural stabilization board is paying 53 cents per pound for 40-93 score Canada first grade creamery butter, basis carlots delivered warehouse at main distribution centres in eastern Canada.

EGG PRICES IN PRAIRIE PROVINCES

Question No. 1,098—**Mr. Rapp:**

1. Has there been a recent drastic drop in the price of grade A eggs in the prairie provinces and, if so (a) by what amount, per dozen, have prices dropped (b) what steps are being taken to halt such a price decline (c) what steps will be taken to ensure the payment to farmers of a satisfactory price for eggs?
2. Has any investigation been made to determine whether wholesalers are receiving more for grading and packaging than the egg producers receive for their product?

Questions

Mr. Hays: 1. (a) The average weighted price to producers in the prairie provinces for grade A large eggs over recent weeks has been as follows:

Week ending	Price per dozen
April 18	23.3 cents
April 25	22.7 cents
May 2	20.9 cents
May 9	17.9 cents
May 16	18.2 cents

(b) and (c) The price decline is related to an increase in the volume of marketing which, to date this year, as compared to last year, is up 15.2 per cent in Alberta, 9.2 per cent in Saskatchewan and 30.8 per cent in Manitoba. Egg producers are protected by a deficiency payment program under the Agricultural Stabilization Act. The support level is set at a national annual average of 34 cents per dozen for grade A large eggs. Producer eligibility is limited to 4,000 dozen grade A extra large, large and medium eggs.

2. During the same period weighted average prices, wholesaler to retailer, for grade A large eggs and the spread between this and the weighted average price received by producers in the three prairie provinces were as follows:

Week ending	Weighted average price to retailers	Spread
April 18	38.6 cents per doz.	15.3 cents per doz.
April 25	38.0 cents per doz.	15.3 cents per doz.
May 2	36.3 cents per doz.	15.4 cents per doz.
May 9	33.3 cents per doz.	15.4 cents per doz.
May 16	33.3 cents per doz.	15.1 cents per doz.

*UNEMPLOYMENT INSURANCE CLAIMANTS

Question No. 1,101—**Mr. Ricard:**

From May 1, 1963 to April 30, 1964, what was, at the end of each month, the number of registered claimants for unemployment insurance benefits in Canada?

Mr. Byrne: The number of active claimants at the end of each month, May 1963 to April 1964, was as follows:

1963, May, 270,892; June, 220,260; July, 218,974; August, 192,511; September, 186,261; October, 218,866; November, 303,353; December, 532,331; 1964, January, 598,561; February, 607,144; March, 597,250; April, 497,745.

[*Later:*]

On the orders of the day:

Mr. H. E. Gray (Essex West): Mr. Speaker, I have a question for the Minister of Labour. Would he tell the house whether the figure for April 30, 1964, in today's answer to the written question of the hon. member for St. Hyacinthe-Bagot (Mr. Ricard) represents an increase or a decrease in unemployment in comparison with April 30, 1963?

[Mr. Rapp.]

Mr. Speaker: Important as this question obviously is, would the hon. member put it on the order paper?

Mr. Gray: I give notice at this time that I wish it to be debated at ten o'clock.

*UNEMPLOYMENT INSURANCE FUND

Question No. 1,102—**Mr. Ricard:**

What was the state of the unemployment insurance fund on April 30, 1964?

Mr. Byrne: On April 30, 1964, the unemployment insurance fund showed a debit balance of $25,863,147.97.

ARNES, MAN.—HARBOUR IMPROVEMENTS

Question No. 1,111—**Mr. Stefanson:**

1. What plans has the government for improving harbour facilities at Arnes, Manitoba?
2. What is the estimated cost and when will this work be carried out?

Mr. Deschatelets: 1. There is no plan at this time to improve the harbour facilities at Arnes, Manitoba.

2. Not applicable.

JAMES M. MINIFIE

Question No. 1,112—**Mr. Gundlock:**

Is James M. Minifie, the C.B.C. commentator from Washington, a Canadian citizen and, if not, when did he cease to be?

Mr. Badanai: As Mr. Minifie has never applied for a certificate of Canadian citizenship nor requested a ruling on his status under the Canadian Citizenship Act, the department has no information on which to base an opinion.

*NEW INDUSTRIES ESTABLISHED

Question No. 1,115—**Mr. Rynard:**

1. How many new industries have been established in high unemployment areas as a result of the special tax concessions granted to these areas?
2. To how many persons is employment being provided as a result of these new industries?

Mr. Drury: 1. Since this legislation was enacted on December 5, 1963, and up to date May 25, 1964, 60 new manufacturing and processing businesses have declared their intention to establish in such a manner as to benefit from the designated area tax incentive program.

2. The planned employment reported by the new businesses is 5,215.

[*Later:*]

On the orders of the day:

Mr. P. B. Rynard (Simcoe East): Mr. Speaker, I would like an answer to starred question No. 1,115, answered by the Minister of Industry today. The question I asked was, how many new industries have been established to date, and the second question I asked was, how many people have been employed to date? The answers given were 60 in the future and so many in planned employment. These are not the questions I asked, Mr. Speaker.

Mr. Speaker: I am sure the hon. member will put this on the order paper. The hon. member for Greenwood.

Hon. Gordon Churchill (Winnipeg South Centre): On a point of order, Mr. Speaker, the hon. member has drawn attention to an incorrect answer to a written question. Putting it again on the order paper will not correct this at all. The hon. member asked how many new industries have been established, and the minister replied that 60 new industries "have declared their intention," which is not the same thing at all. I think putting it on the order paper, sir, will serve no purpose at all. Let the minister give a clear, precise, and accurate answer to a question already on the order paper.

Hon. C. M. Drury (Minister of Industry): Mr. Speaker, the answer to that precise and clear question is that we have no statistics on industries—

Some hon. Members: Oh, oh.

Mr. Drury: Mr. Speaker, if the official opposition want an answer they might at least have the courtesy to listen to it. The answer to the question is that we have no statistics on industries already established because they are not required to furnish the government with notification of actual establishment until such time as they are in full commercial production and they intend to claim income tax benefits.

Mr. Rynard: Supplementary to that, then I would take it from the minister's answer that no one has been employed to date?

Mr. Drury: Mr. Speaker, that is a completely incorrect assumption to make.

Mr. Rynard: Then let us have the correct figure.

Mr. Nicholas Mandziuk (Marquette): How is it that the minister's department has no statistics on the industries already established but has statistics on those to be established?

Mr. Drury: Mr. Speaker, if the hon. member would just read the answer, it states that the government has been advised by some 60 new industries of their intention to establish in such a way as to avail themselves of the benefits of the Income Tax Act.

Hon. Michael Starr (Ontario): As a supplementary question, does the minister not know exactly how many, or is he not interested in finding out how many industries have been established?

Mr. Drury: As I said before, I do not know. I am interested—

Mr. Starr: Are you interested?

Mr. Drury: I am interested, but we have not the machinery for collecting this precise information at the moment.

Right Hon. J. G. Diefenbaker (Leader of the Opposition): Then I would like to ask the minister—because there seems to be a multiplicity of officers around his department —what about the second portion of the question asked by the hon. member for Simcoe East:

To how many persons is employment being provided as a result of these new industries?

Mr. Churchill: The answer is none.

Mr. Drury: If the Leader of the Opposition will look at the answer, with respect to how many positions of employment are going to be provided, the information was given in the written answer.

Mr. Diefenbaker: Complete evasion.

*EMPLOYEES OF REPRESENTATION COMMISSIONER'S OFFICE

Question No. 1,129—**Mr. Woolliams:**

1. How many persons have been employed, and are employed, in the representation commissioner's office, preparing data, mathematical exercises, and/or maps, in reference to electoral divisions in Canada, in accordance with section 8 of the Representation Commissioner Act, 1963?
2. How long have these persons been performing their tasks, and what special training, if any, had these persons prior to their employment?
3. What is the average age of these persons so employed, and who, if anyone, recommended them for their positions?

Mr. Stewart: I am informed by the representative commissioner:

1. Nine persons have been employed and eight are presently employed.

2. These persons commenced their employment as follows: One person July 18, 1963; Three persons Sept. 16, 1963; Two persons Sept. 23, 1963; One person Dec. 3, 1963; One person Dec. 23, 1963; One person March 9, 1964.

Such persons had no special training prior to their employment.

3. The average age is 33 years and no one made any recommendations to me regarding their positions.

QUESTIONS PASSED AS ORDERS FOR RETURNS

WORLD FAIR EMPLOYEES RECEIVING OVER $10,000

Question No. 945—**Mr. McCutcheon:**

What was the previous employment, experience and qualifications, as well as location, of those employees of the Montreal world fair in receipt of salaries in excess of $10,000 from that body?

Return tabled.

*GOVERNMENT ANNUITY AND SUPERANNUATION FUNDS

Question No. 952—**Mr. Côté (Chicoutimi):**

1. What is the present balance in the Canadian government annuity fund and what is the present number of annuitants?
2. What is the balance in the civil service superannuation fund and, how many persons receive benefits?
3. Where are these funds deposited?
4. Are these funds used for investment and, if so, in what securities are they invested.

Return tabled.

*C.P.R. RAIL LINE ABANDONMENT APPLICATIONS, SASK.

Question No. 985—**Mr. Southam:**

1. Since the present government took office in April, 1963, how many applications has the board of transport commissioners received for rail line abandonment from the Canadian Pacific Railway in the province of Saskatchewan, the province of Manitoba and the province of Alberta?
2. What are the subdivision designations of such applications in each case, and the various mileages involved?
3. What is the railway ten year gross revenue in each case, and the railway gross operating loss, if any, in each case?
4. How many grain elevators, and their total capacity in the case of each subdivision, are involved?

Return tabled.

APPOINTMENT OF AIRPORT MANAGERS

Question No. 1,048—**Mr. Fisher:**

1. What is the name and address of each person appointed since January 1, 1963, to the position of airport manager 1 level and higher at each respective site in Canada?

[Mr. Stewart.]

2. Where was each such appointee located prior to the appointment referred to in part 1 and what was or will be the cost of transporting him, his dependents and belongings to the new location?
3. Has any D.O.T. employee at the respective sites referred to in part 1 filled the position in a permanent or acting capacity during the last five years? If so, what are the names of each such person, the time the position was so filled and to what degree of satisfaction, and are any of the said persons still at the sites?
4. Was any consideration given to filling the positions from among D.O.T. personnel in the regions concerned and, if so, were any such persons found to be qualified for the positions? What were the reasons for not making the appointments from such persons?
5. At what levels are appointments normally open to residents from (a) local areas (b) regional areas, and (c) all across Canada?
6. If area boundaries are established for applicants for positions and such boundaries are governed by the level of the positions, are such rules always adhered to? If not, in what instances since January 1, 1963, have the said rules not been adhered to, and what were the reasons for not following the said rules in each instance?

Return tabled.

MOTIONS FOR PAPERS

Mr. J. B. Stewart (Parliamentary Secretary to Secretary of State): Mr. Speaker, I ask that notice No. 121 be allowed to stand.

MODELS FOR CANADIAN FLAG

Motion No. 122—**Mr. Smallwood:**

That an order of the house do issue for the production of all flag designs or models which have been received by the Prime Minister, members of the cabinet or the government, as models for a Canadian flag.

Mr. Stewart: Mr. Speaker, notice No. 122 entails two difficulties. First, while some of the three thousand and more flag designs or models that have been received are on paper, many are on other kinds of material. Moreover, some are very large. Consequently the costs of reproduction would be extremely great. Besides, in the case of each of these designs the specific permission of the designer would have to be obtained before reproduction and publication. Second, if the originals were produced in the House of Commons they would not then be available to be returned to any of those who submitted them.

I suggest that the notice of motion be withdrawn.

Mr. Smallwood: Mr. Speaker, under those circumstances I would ask that you transfer this motion for debate.

Mr. Speaker: Transferred for debate.

CANADIAN FLAG

PROCEDURE RESPECTING CONSIDERATION OF RESOLUTION

On the orders of the day:

Right Hon. J. G. Diefenbaker (Leader of the Opposition): Mr. Speaker, now that we know the nature of the resolution regarding the two flags may I ask the Prime Minister when it is intended to go ahead with this resolution, and whether he can give us an indication which resolution will be proceeded with first, that providing for two flags or the second one providing for two anthems.

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, it is intended to proceed with these resolutions in a few days, and I hope to be able at the beginning of next week to announce the exact day on which the first resolution will be called. That is the resolution dealing with a single national flag for Canada.

Mr. Diefenbaker: That resolution, Mr. Speaker, does not appear to be before us. If I may put another question, Mr. Speaker, is it the intention of the government to have this resolution also presented in the other place as well?

Mr. Pearson: Yes, Mr. Speaker, a similar resolution will be introduced in the other place.

Mr. Diefenbaker: Will it be presented in the other place for discussion at the same time it is presented here, or will it only be presented in the other place after it has been presented here? In other words, is it going to be a joint resolution or will there be specific resolutions for the House of Commons and the Senate?

Mr. Pearson: The usual procedure will be followed. There will be a specific resolution for the House of Commons and a resolution in the other place. Whether the resolution in the other place will be called before or after the resolution in the House of Commons will depend, of course, on when this resolution, which is not yet on the order paper but which is in *Votes and Proceedings,* is called. When it gets on the order paper I hope my right hon. friend will read it very carefully and try to understand it.

Mr. Diefenbaker: May I thank the Prime Minister, because it will certainly take a Philadelphia lawyer to understand the intricacies of the thinking of this government as represented by this resolution.

[*Translation*]

Mr. Gilles Grégoire (Lapointe): A supplementary question, Mr. Speaker. In view of the fact that the government intends to move the adoption of a national flag for Canada and of the union jack as a symbol of our allegiance to the British crown and to the commonwealth, has the government the intention to move the adoption of the flag of the United Nations as a symbol of the allegiance of our country to the United Nations, and of the flag of NATO, as a symbol of the allegiance of our country to NATO, and also of the American flag, as a symbol of our allegiance to NORAD?

[*Text*]

Mr. Pearson: Mr. Speaker, we have already in this country, as recently as yesterday, honoured the flag of the United Nations and I hope we will continue to do so. I hope we will adopt soon a national flag for Canada.

An hon. Member: Flags.

Mr. Pearson: We also in this country owe allegiance to Her Majesty the Queen as Queen of Canada—

Some hon. Members: Hear, hear.

Mr. Pearson: —and I hope that, while there can only be one national flag for Canada, we will continue to honour the symbol of our allegiance to Her Majesty and our association in the commonwealth.

[*Translation*]

Hon. Paul Martineau (Pontiac-Témiscamingue): Mr. Speaker, I should like to direct a supplementary question to the right hon. Prime Minister—

Mr. Grégoire: Mr. Speaker, a supplementary question—

[*Text*]

Mr. Speaker: Order. I can only take one member out of four. The hon. member for Pontiac-Témiscamingue.

[*Translation*]

Mr. Martineau: In view of the answer given by the Prime Minister, could he tell us whether it is necessary to pass legislation to show our affection for the crown?

[*Later:*]

Mr. Grégoire: A supplementary question, Mr. Speaker. Considering what the Prime Minister stated, I should like to ask him whether English citizens are obliged to adopt

the Canadian flag which will also be the symbol of affection for the crown, since the Queen is also the Queen of Canada?

Mr. Guy Marcoux (Quebec-Montmorency): A supplementary question, Mr. Speaker. May I ask the right hon. Prime Minister whether the resolution on the Canadian flag will be followed by a bill or by an order in council?

[*Text*]

Mr. Pearson: No, Mr. Speaker, no bill is required. The house will be asked to take a decision on the resolution, and the resolution will be quite clear in that respect.

[*Translation*]

Mr. Marcel Lessard (Lake St. John): Mr. Speaker, I should like to ask the Prime Minister whether it will be necessary, in the case of the disruption of the commonwealth or, if you wish, of its member countries, that the Canadian parliament pass another act denying the existence or the official recognition of the union jack in Canada?

[*Text*]

Mr. Speaker: Order. With all respect I must rule this question out of order.

[*Translation*]

Mr. Raymond Langlois (Mégantic): Mr. Speaker, I wish to put a question to the Prime Minister.

Since the Prime Minister's motion concerning a Canadian flag suggests that the union jack be continued to be flown as a symbol of Canadian membership in the commonwealth and of our allegiance to the crown, does the government propose to submit, at an early date, a bill establishing the total independence of Canada, in which case Canadians would not have to fly two flags, that of England and that of Canada?

[*Text*]

Mr. Speaker: Order, please. The question is obviously out of order.

[*Translation*]

Mr. Grégoire: A supplementary question, Mr. Speaker—

[*Text*]

Mr. Speaker: Order, please. There cannot be a supplementary to a question that is out of order.

[Mr. Grégoire.]

[*Translation*]

Mr. Grégoire: Mr. Speaker, my supplementary question will be in order. I should like to ask the right hon. Prime Minister whether he intends to divide his resolution in two parts, so that the members of the house would be called to vote a first time on the distinctive national flag and a second time on the union jack, the flag of England. Then, the hon. members would not have to face a cruel dilemma: either reject the national distinctive flag and at the same time the union jack or vote for both, and this would not be more acceptable.

This is my question. Would the right hon. Prime Minister divide his resolution in two parts?

[*Text*]

Mr. Pearson: The regular course will be followed. If the hon. gentleman will wait until the resolution is introduced it will be explained in detail.

LABOUR RELATIONS

MARITIME UNION TRUSTEES—APPEARANCE BEFORE HOUSE COMMITTEE

On the orders of the day:

Hon. Michael Starr (Ontario): Mr. Speaker, I should like to address a question to the Minister of Labour. During his discussions yesterday with the maritime union trustees did he impress upon them the necessity of appearing before the industrial relations committee, particularly in view of the acknowledgement by the leader of the New Democratic party, in spite of his denials yesterday, that certain members of that party did meet with Mr. Millard?

Hon. A. J. MacEachen (Minister of Labour): Mr. Speaker, I discussed with the board of trustees yesterday the possibility of an appearance by the members of the board before the industrial relations committee. While I am sure that if parliament asked the board of trustees to appear they would do so and answer questions, it is still their considered and strong view that it would not be in the best interests of the responsibility assigned to them by the parliament of Canada for them to appear and discuss publicly their activities at the present time.

Mr. Starr: May I ask a supplementary question. In view of the fact that one of the trustees has brought certain members of the House of Commons up to date on the activities of

the trustees, surely other members should not be deprived of the same opportunity. I think the committee would agree, if the trustees did not want to make the testimony public, to have the meetings held in camera.

Mr. Douglas: I rise on a question of privilege.

Mr. Starr: I wonder if the minister would agree with that suggestion. Will he tell us whether he will approach the trustees on that basis?

Mr. MacEachen: I will consider the proposal made by the hon. member for Ontario.

Mr. T. C. Douglas (Burnaby-Coquitlam): I rise on a question of privilege, Mr. Speaker. The hon. member for Ontario has just said I admitted meeting Mr. Millard, in spite of my denial yesterday. I think that could be some reflection on the statement I made yesterday and I reserve the right, therefore, to raise a question of privilege.

I referred yesterday to the report in the *Globe and Mail* in which it was stated that one of the trustees held a private conference with the New Democratic party—I am sorry; I have the wrong newspaper clipping. Yesterday's *Globe and Mail* stated:

> Mr. Millard recently met the parliamentary caucus of the New Democratic party to explain the position of the trustees.

What I said yesterday, as reported at page 3579 of *Hansard,* was:

> On a question of privilege, Mr. Speaker, the statement just referred to by the hon. member for Ontario is completely inaccurate. Mr. Millard has never met with the caucus of the New Democratic party.

I say that statement is perfectly correct. Now, today's *Globe and Mail* makes a perfectly correct statement. I told the press that I personally had met Mr. Millard when he dropped into my office and met with myself and one or two members who were readily available and who were called in.

Some hon. Members: Oh, oh.

Mr. Douglas: This does not constitute a meeting with the caucus of the New Democratic party. I am certain that the Leader of the Opposition, who seems to be somewhat amused, would hardly consider he had a meeting of a caucus of the Progressive Conservative party if he met with someone and two other members of his group.

Mr. Diefenbaker: We have not got a group, we have a political party.

Mr. Douglas: You have a political hodge-podge; I would not call it a party.

If I may continue, Mr. Speaker, in spite of the interjections from the official opposition, I want to say that I have known Mr. Millard for a quarter of a century. He is an old friend of mine. If Mr. Millard wants to come into my office and chat with me, he is at liberty to do so without any reflection being cast upon him or upon myself.

I want to say, Mr. Speaker, that there was no official meeting with the caucus. Most of the members of the caucus did not know I had met Mr. Millard, because I did not think it was important. Mr. Millard was in Ottawa, he was going to catch a train and he dropped in to see me. I had a chat with him. There is no inconsistency between the statement I made in the house yesterday and the statement which I made to the press.

The hon. member for Ontario and the Conservative members seem to be exercised about this. I want to say to them that we have several times suggested in the house that the industrial relations committee ought to meet with the trustees. So far as meeting with any individual such as Mr. Millard is concerned, he would be glad to meet with the hon. member for Ontario or any other member. As a matter of fact, if the hon. member for Ontario, when he was minister of labour, had met with some of these people he probably would have done something about Hal Banks and the S.I.U. long before he did.

Mr. Starr: I rise on a question of privilege. The leader of the New Democratic party has thought it wise to raise a question of privilege, so I think I should be accorded the same privilege. Yesterday I addressed the following question to the Minister of Labour:

> Could not the minister be more specific, in view of the fact that one of those trustees, Mr. Millard, has appeared before certain members of the New Democratic party?

The hon. member for Burnaby-Coquitlam said Mr. Millard had never met with the caucus of the New Democratic party. He was splitting hairs. The hon. member for Vancouver East also said he had not met with any members of the New Democratic party, and he was speaking as its national vice president.

Mr. Winch: I said he had not appeared before a caucus or any official organization of our party.

Mr. Starr: In my question I did not refer to a caucus. I said he met with certain members of the New Democratic party. The

leader of the New Democratic party stated in his question of privilege that the statement published in the *Globe and Mail* today is perfectly correct. The statement reads as follows, Mr. Speaker:

Mr. Douglas said he invited in three members of the party caucus labour committee; David Orlikow (Winnipeg North), the committee chairman who attended during the entire meeting, and Stanley Knowles (Winnipeg North Centre)—

I do not know what his capacity is.

—and Andrew Brewin (Greenwood), who were there for part of the time.

Mr. Douglas said Mr. Millard, an old friend, called on him to explain the trustees' policies, some of which have been bitterly opposed by the N.D.P.

Even the hon. member for Winnipeg North Centre had something to say. He said this was an attempt among friends to clear the air.

Mr. Douglas: May I just draw the attention of the hon. member for Ontario to the exact words which he used yesterday, as recorded at page 3579 of *Hansard*:

A supplementary question, Mr. Speaker. In view of the report in the *Globe and Mail* this morning by Mr. Wilfred List stating, among other things, that Mr. Millard recently met the parliamentary caucus of the New Democratic party to explain the position of the trustees, would the minister not consider that the other members of this house also have a right to meet with the trustees?

The hon. member for Ontario said "parliamentary caucus".

Mr. Starr: Mr. Speaker, I quoted what was said in the newspaper. My original question only referred to certain members of the New Democratic party.

Hon. Paul Martineau (Pontiac-Témiscamingue): I should like to ask the Minister of Labour if following his meeting with the maritime union trustees there now has been a decision with regard to the presidency of the S.I.U., and particularly if Mr. McLaughlin will be retained in that post.

Mr. MacEachen: Mr. Speaker, Mr. McLaughlin is not president of the S.I.U., and no decision was reached or could be reached at such a meeting yesterday because that would be a decision for the trustees, to be made by them under their own authority.

Mr. Martineau: May I ask the minister if there was any discussion about the status of Mr. McLaughlin within the S.I.U.

Mr. MacEachen: Yesterday my discussion with the board of trustees ranged over the whole spectrum of their activities with regard to the S.I.U., including the accession and present leadership of the S.I.U.

[Mr. Starr.]

Right Hon. J. G. Diefenbaker (Leader of the Opposition): Is it not a fact that Mr. McLaughlin is acting as president and signing letters on behalf of the S.I.U. at the present time?

Mr. MacEachen: No, it is not a fact that Mr. McLaughlin is president.

Some hon. Members: Acting as president.

Mr. MacEachen: He may be signing letters as executive vice president.

Mr. Martineau: Will he be retained in his present function, whatever that may be?

LABOUR CONDITIONS

ST. JOHN'S, NFLD.—STEPS TO SETTLE LONGSHOREMEN'S STRIKE

On the orders of the day:

Mr. Joseph P. O'Keefe (St. John's East): Mr. Speaker, I wish to direct a question to the Minister of Labour in connection with the longshoremen's strike in St. John's, Newfoundland. In view of the fact that the minister has stated that the federal government would intervene when the situation warranted it, will the minister now say how serious the situation must become before his department intervenes?

Hon. A. J. MacEachen (Minister of Labour): Mr. Speaker, I thank the hon. member for giving me notice of this question, which is of great concern to the residents of the city of St. John's. The situation at present is that the resident mediator of the department is in the city and Mr. Pettigrove, the senior conciliation officer for the Atlantic region, is in touch with both parties in an effort to arrange further meetings. This situation will only be resolved when there is a greater willingness on the part of both parties to reach a settlement.

PROSPECTIVE LAY-OFFS AT POINT EDWARD NAVAL BASE

On the orders of the day:

Mr. Donald MacInnis (Cape Breton South): Mr. Speaker, I have a supplementary question for the Minister of Labour. In view of the question put forward by the hon. member for St. John's East and the answer provided by the minister, does he not think that the condition where 400 men will be laid off very shortly in Cape Breton also deserves an answer from the government? Also, considering the fact that this question has been

allowed, does he not feel a similar question in respect to these men should be considered and not ruled out, as it had been previously?

Mr. Speaker: May I suggest that the decision as to whether a question is in order or not should be left to the Chair. In view of the length of the strike, which I understand has been going on for some time, it seemed to me the question was urgent and important because it was dealing with humanity and a great many persons were concerned. I know that on many previous occasions the hon. member for Cape Breton South has raised a question about a certain district with which he is concerned, and if he has a very urgent question then in fairness I am quite prepared to allow it.

Mr. MacInnis: I would put a further supplementary question to the Minister of Labour; and considering the remarks made by you, sir, I would now ask the Minister of Labour if he does not consider that the layoffs at Point Edward naval base would be somewhat more permanent than the strike in St. John's, on which he saw fit to answer a question while denying a reply to me?

Mr. Muir (Cape Breton North and Victoria): And does he not consider them human also?

ADMINISTRATION OF JUSTICE

CHECK OF PENAL INSTITUTIONS RESPECTING PERSONS ILLEGALLY HELD

On the orders of the day:

Mr. R. Gordon L. Fairweather (Royal): Mr. Speaker, I have a question for the Minister of Justice. I am wondering whether he would show evidence of his concern by requesting the provincial attorneys general to cause an immediate check to be made of inmates of all jails and other penal institutions within their jurisdictions, to ensure that no citizen is held illegally, as a result of administrative mix-ups? There were two such cases in the last month.

Hon. Guy Favreau (Minister of Justice): Mr. Speaker, I am presently considering the facts which gave rise to this particular question.

[*Later:*]

Mr. Andrew Brewin (Greenwood): My question is supplementary, or at least related, to the question which was asked by the hon. member for Royal with respect to the specific case of a person detained for a long period awaiting deportation. Perhaps I should address it to the Minister of Citizenship and Immigration. How many other cases are there of people who have been detained for long periods awaiting deportation? If the minister does not know, would he inquire into the matter and inform the house?

Hon. René Tremblay (Minister of Citizenship and Immigration): The case the hon. member mentioned is that of Mr. Hooper, and Mr. Hooper was deported last night.

While I am on my feet I should like to make a statement on these immigration cases which are before—

Some hon. Members: Oh, oh.

Mr. Tremblay: It is related to the same matter.

Mr. Speaker: I am sorry; I did not hear the last few words the minister said. Would he mind telling the Chair what he wishes to do?

Mr. Tremblay: It is a statement about cases before the courts.

Some hon. Members: No.

Mr. Speaker: Orders of the day.

Mr. Brewin: I did not make my question clear to the minister. How many other cases are there within the minister's knowledge of people being detained in jail awaiting deportation for unspecified periods? If the hon. gentleman does not know, will he find out and inform the house?

Mr. Tremblay: I will take the question as notice.

SHIPPING

CONSIDERATION OF ESTIMATES PROVIDING FOR EMERGENCY ASSISTANCE

On the orders of the day:

Mr. G. H. Aiken (Parry Sound-Muskoka): I have a question for the Prime Minister. On Friday last the right hon. gentleman indicated that he would be tabling details of emergency supplementary estimates to meet the low water situation on the great lakes. Can he tell us when these estimates will be tabled?

Right Hon. L. B. Pearson (Prime Minister): No, Mr. Speaker; it is impossible to say on what date the estimates will be introduced.

Mr. Aiken: Will these estimates provide a method of assisting private operators to meet the situation?

Mr. Pearson: I cannot answer that question now.

Mr. Aiken: I am not satisfied with the answer given. May I debate it after ten o'clock?

TERRITORIAL SEA AND FISHING ZONES

LEGISLATION RESPECTING TERRITORIAL WATERS AND FISHERIES LAWS

The house resumed from Tuesday, May 26, consideration of the motion of Mr. Martin (Essex East) for the second reading of Bill No. S-17, respecting the territorial sea and fishing zones of Canada.

Mr. Lloyd R. Crouse (Queens-Lunenburg): Last evening I started on the first leg of my cruise of Canada's territorial seas and today I hope to finish the voyage.

From the facts I placed on the record it is readily apparent that Canada's support of a 12 mile limit was officially launched in the international field in 1958. However, international agreement on this matter was not reached and we are now obliged to consider the alternatives open to us. The first question which comes to mind concerns those nations which have already applied a 12 mile limit. We know, for example, that Iceland was the first country to push out its territorial limits to 12 miles, followed by Norway, Denmark and then Russia. Africa and Britain have also decided on this course and, in all, some 25 nations have now adopted a 12 mile limit. There should be little objection from these countries to the Canadian proposal. But it would appear that when these decisions were made unilaterally, international incidents followed. Icelandic gunboats chased British trawlers from cod fishing grounds off the shores of Iceland. Norway is chasing Swedish fishermen from grounds which the Swedes have fished for hundreds of years. Irish corvettes have recently scattered Dutch and Belgian fishermen who were fishing in Irish herring grounds, and the Brazilian and French are disputing the ownership of Brittany lobsters caught in traditional Brazilian fishing waters.

This will give the government an idea of what happens when action is taken unilaterally, and I cannot help but wonder what steps are to be taken by the minister and his department to enforce these proposed regulations. What would happen, for example, if the Russians decided to test the new regulation by placing a factory ship within the nine mile limit off the coast of Cape Breton in an area where in the spring of the year the fishing is prolific? I refer to the Scatari bank. It might be that the factory ship would not be fishing in these waters, but the supply draggers would be travelling back and forth and it would require constant patrolling on the part of Canadian vessels to determine whether they were fishing or simply travelling peacefully through these waters.

I would point out, too, that Canada has a very long coast line. The Secretary of State for External Affairs (Mr. Martin)—and I may point out that he is not present while this bill, which comes under his authority, is being discussed—

Mr. Robichaud: On a question of privilege; my colleague the Secretary of State for External Affairs mentioned that he had to go out for a few minutes to attend an urgent matter and indicated he would be right back.

Mr. Crouse: I thank the Minister of Fisheries for that explanation.

The minister of external affairs stated in the course of his remarks as reported in *Hansard* at page 3411:

> Pending this determination and an opportunity to carry forward our discussions with the countries concerned, we have decided to allow a short period of time to elapse before starting to enforce Canadian laws in the fishing zones of Canada.

My point is this: How will they be enforced? Does the government intend to use the patrol boats of the Department of Fisheries or will it use the patrol boats which are operated as a coastguard service under the Department of Transport? Perhaps it is intended to use the navy—

Mr. Martin (Essex East): On a question of privilege, I understand that the hon. gentleman complained a few moments ago about my being out of the house. I stepped out of the house for a few moments in order to attend to an urgent matter connected with my department and I am now back in my place. I regret that the hon. gentleman showed his sporting quality in this way.

Mr. Crouse: I did not notice the minister leave the house, and when the Minister of Fisheries brought it to my attention that he had been called away I immediately apologized.

Mr. Martin (Essex East): I did not know the hon. member had apologized and I am sorry I made my intervention. I did so because I was not aware of the apology.

Mr. Crouse: The Secretary of State for External Affairs has made an explanation of his absence and I accept that explanation.

To continue, I ask this question: How does the government hope to enforce this regulation? Obviously, enforcement will be one of the main problems to be dealt with if these proposals are to become effective. I cannot impress this point upon the government too strongly. I have said before, and I say again, that a gunboat policy for our fishing industry would be disastrous to our traditional fishing markets. The entire proposal raises the problem of historic fishing rights and today I will deal only with those rights on the Atlantic coast. France and the United States have historic fishing rights dated back to the treaty of Utrecht in 1713 and the treaty of London in 1818.

I hold in my hand the brief submitted by the Fisheries Council of Canada on Canada's national and territorial waters under date January 28, 1963. In this brief they recommend negotiations between the United States and France to reach a mutual understanding, and that unilateral action be taken only after agreement with these two countries. The Fisheries Council of Canada is representative of the entire fishing industry. It meets annually and it makes recommendations to the government only after careful study of all the facts. I cannot help but wonder why these recommendations were ignored and why the government, despite their recommendations, decided to take unilateral action.

I think their suggestions are worth placing on the record. They suggest, for example, that Canada, as one of the pioneering nations in the field of international agreements for the conservation of fishery resources of the sea, should continue to provide international leadership and protection for our Canadian marine resources. They recommend that we declare certain bodies of water as Canadian national waters, and establish the straight base line to enclose the national waters. The breadth of the territorial seas and exclusive fishing zone would be measured seaward from the base line. We should recognize and negotiate historic treaty fishing rights and then make a unilateral declaration with regard to the decisions reached. Finally, we should enforce these progressive steps, thereby preventing all other foreign fishing, except the United States and France, from exploiting our marine resources. In my opinion it will be difficult to get some of these nations to give up and suddenly drop their historic fishing rights. The house therefore has a right to know the government's plans on this important matter. Do they intend a phasing out of historic fishing rights over a five or ten year period; or, for example, will the Americans and the French continue fishing their traditional grounds within three miles of our shores in perpetuity? These are questions that require an answer.

Quite frankly, I am not satisfied that the present proposal as outlined by the minister will solve any of our major international fishing problems. In my opinion we will still have large Russian, Spanish and Japanese trawlers operating on the fishing banks of the Atlantic coast five, ten and 15 years from now in ever increasing numbers, using modern methods and equipped with electronic fish finding devices that can only be described as fantastic. I say this because the world population, according to statistics that were last prepared in the year 1960, I believe, was estimated at 2,900 million and it is increasing by 120,000 every day. The nations of the world must turn to the sea as a source of food in ever increasing quantities to feed their ever expanding populations, and as a result fishing operations will intensify in the years ahead. As a matter of fact, the world fisheries have doubled their production in the last ten years, and a further doubling in the next ten years is expected. This, of course, will only create further international competition on the high seas for our marine resources.

This is why I have stated that in my opinion further negotiation at the international level would have been preferable to the action that has been taken at this time by the government. However, the Secretary of State for External Affairs (Mr. Martin) and the Minister of Fisheries (Mr. Robichaud) of this government have decided in their collective wisdom to establish by unilateral action this 12 mile limit. Since the 12 mile limit is a conservation measure designed to assist our inshore fishermen as well as conserve our fisheries resources, it is therefore important that we take some definite steps at this time that will be of long term benefit to our fisheries.

In my opinion this measure is not definite enough at present to do what should be done for the Canadian fishing industry. However, it can be amended by the simple act of naming the co-ordinates or points of land to be used in establishing the base line. These co-ordinates are the key, the one important item in this entire proposal; but

according to the Secretary of State for External Affairs they have not been named. He stated, as is reported at page 3412 of *Hansard*, on May 20:

> I am hopeful, however, that our discussions will soon be completed and that the governor in council will be in a position before the end of the year to proclaim a list of geographical co-ordinates of points for application of the straight base lines to at least a part of our coast line. If our optimism, here, proves unwarranted it will not be because this is not our present appreciation of the situation; it will be because of the nature of the negotiations themselves. It is unlikely that the governor in council will publish points covering our entire coast line in his first list. It is possible that, depending on how our discussions proceed, he will publish several lists and that, in the first, base lines will come into force only for those areas in respect of which we have completed our talks.

Mr. Speaker, no one likes travelling through uncharted seas. If we accept this bill as it is now written, we allow this government to take the entire fishing industry on a cruise in the sea of uncertainty. The whole bill, in so far as my reading of it leads me to believe, is surrounded by a fog of indecision. It reminds me somewhat of the Liberal government. They do not know where they started from; they do not know where they are, and they do not know where they are going.

Some hon. Members: Hear, hear.

Mr. Crouse: For example, base lines can be drawn from the United States border along the coast of New Brunswick, past the harbour of Saint John, and then back again along the coast of Nova Scotia, thereby leaving the entire bay of Fundy outside the territorial seas of Canada. Conversely, a base line can be drawn from the United States border to cape Fourchu, completely sealing off the bay of Fundy and St. Mary's bay, thereby conserving the sardine and scallop industry in the bay of Fundy and the new scallop beds and the inshore fisheries of St. Mary's bay, as these waters would then become part of Canada's internal, or national waters.

I could give the house other examples, but I believe the most important co-ordinates with which we are concerned at this time are those to be used in the Newfoundland-Cape Breton area. I believe, and the Conservative party supports the principle, that the base line should be drawn from cape North to St. Paul island and then to cape Ray in Newfoundland. A base line should also be drawn from cape Freels, Newfoundland, to cape Bauld and then to Labrador. This action would seal off the valuable fisheries resources around Bonavista-Twillingate—and this should be of considerable interest to another maritime member, the Minister of Transport (Mr. Pickersgill)—

Mr. Prittie: Winnipeg.

Mr. Crouse: —Notre Dame bay, and especially the fishing banks in the gulf of St. Lawrence. Bradell bank near the Magdalen islands, Orphan and Natashquin cod banks off Quebec, Centre bank off Labrador and the banks around Anticosti island, would all be protected. Mr. Speaker, I am not advocating that we draw an iron curtain between Nova Scotia and Newfoundland, but I sincerely believe that, if the waters of the gulf of St. Lawrence are classed as Canada's national inland waters, it will be the greatest forward step taken toward conservation of our fisheries resources in the history of this nation. This action would provide a giant spawning ground for all types of fish, and it would come entirely under the control of the Canadian government.

Since most of the sealing operations are also conducted in this area, it would also give the Canadian government complete control over this industry, which has been very much in the limelight during the past few months as a result of the methods used to catch the seals. There should be little objection raised by other nations to these changes, because they would indirectly benefit from our conservation measures. At present any conservation measures carried out on the high seas are completely under the control of the international commission for the north Atlantic fisheries. When we consider the pressure placed upon the ships operating on our offshore banks to bring back suitable catches, it is questionable whether they are following the recommendations of the commission. We must remember that some of these countries fish for food while we fish for profit.

Some evidence has been submitted that would indicate that fishing nets have been used with a mesh so small a sardine could not escape. We cannot, as Canadians, enforce regulations governing the methods to be used for catching fish on the high seas. However, if we seal off the gulf of St. Lawrence as a giant spawning area, and classify this large body of water as Canada's national waters, the offshore banks will eventually benefit from our conservation measures.

As I stated earlier, the co-ordinates to be used when implementing this measure are of vital importance, not only to the future

of our fishing industry but also to about nine international air lines which are concerned at the immense powers granted to this government or to future governments by this bill. As clause 5 of Bill No. S-17 now reads, the government could by order in council establish geographical co-ordinates which are far out in the ocean. This, of course, would cause international repercussions and would be difficult to enforce, but in the meantime great damage would be done. As this bill is now worded, notwithstanding the fact that its prime purpose is to assist the Canadian fishing industry, it could have a very serious effect on the operation of foreign international air lines flying across the north Atlantic ocean outside of the present territorial jurisdiction of Canada.

Canadian law on the subject of the operation and control of aircraft is set forth in the federal Aeronautics Act. The extent of this Canadian law is defined in the key operative sections of the act, which are sections 3 and 4. In each of these sections, in so far as foreign aircraft are concerned, the extent of the Canadian control is limited to flights over Canada and the territorial waters of Canada. This is consistent with international law and international conventions that have been entered into and to which Canada has been a signatory. Also under international law the territorial waters of a state—for the purposes of aeronautical law have been restricted to the customary three miles from the shore line. While the width of the territorial sea will still remain three nautical miles under this bill, I would point out that the inward point of measurement has been altered. The new definition of a territorial sea adopts the straight base line system for the purpose of measuring the width of the territorial sea at any given point on the coast line of Canada.

But where are these base lines to be drawn? This is what the bill states in clause 5 (1), (2) and (3), and I should like to place it on record:

(1) The governor in council may, by order in council, issue one or more lists of geographical co-ordinates of points from which base lines may be determined and may, as he deems necessary, amend such lists.

(2) In respect of any area for which geographical co-ordinates of points have been listed in a list issued pursuant to subsection (1) and subject to any exceptions in the list for the use of the low water line along the coast as the base line between given points, base lines are straight lines joining the consecutive geographical co-ordinates of points so listed.

(3) In respect of any other area and until such time as geographical co-ordinates of points have, for such other area, been listed in a list issued pursuant to subsection (1), base lines remain those applicable immediately before the coming into force of this section.

It is in the method of determining the geographical co-ordination of points as outlined in clause 5 that the problem will arise in so far as its applicability to the Aeronautics Act is concerned.

These co-ordinates, Mr. Speaker, are to be determined by the government by order in council. As I read the bill, there are no restrictions setting forth any method to be followed in selecting these points; in fact, a particular point could be a fixed location on water.

The minister of external affairs has stated that it was not possible to divulge the geographical co-ordinates that will be chosen in order to establish the location of the straight base line because of pending negotiations between the Canadian government and the governments of other affected countries.

Mr. Martin (Essex East): Does my hon. friend not agree with that?

Mr. Crouse: But he says: "Have patience. I am optimistic that everything will work out right, even though we have not yet been able to settle all outstanding questions, and in certain areas our points of view do not coincide".

This bill, Mr. Speaker, tells us nothing about the future territorial sea and fishing zones of Canada. The government has to date made no commitment, and they can fix the geographical co-ordinates wherever they see fit, whenever they see fit. This bill is as indefinite as the pensions bill. It is as indefinite as the redistribution bill to fix the boundaries of our constituencies. It is as indefinite as the flag issue. It is as indefinite as everything which this government has brought before the house.

Mr. Martin (Essex East): May I ask my hon. friend, having in mind that he represents fishermen, whether he disagrees with the course the government is following? Would he answer that question?

Mr. Crouse: Mr. Speaker, I would be happy to answer any question as soon as I have finished my remarks. My time is limited and I gave the minister a few minutes of my time last evening. Clause 5 as presently worded—

Mr. Robichaud: Mr. Speaker, on a point of order; in order to keep the debate in order is it according to the rules of the house to discuss a bill clause by clause on second reading?

Mr. Deputy Speaker: It is not my understanding that the hon. member is discussing the bill clause by clause. I understood he was discussing the general principle of the bill, although I concede it is very difficult to do this without referring sometimes to specifics in the bill. I do not feel that the hon. member was out of order.

Mr. Crouse: Thank you, Mr. Speaker.

As section 5 is presently worded, one geographical co-ordinate could be taken on Sable island. Sable island is Canadian territory and is located approximately 100 miles off the coast of Nova Scotia. If this was done, an area approximately 100 miles wide off a great part of the Nova Scotia coast would be considered to be Canadian territorial seas for the purpose of the Aeronautics Act, and would make foreign aeroplanes flying over this area subject to Canadian jurisdiction. It is important to note that at present many foreign aeroplanes flying between the eastern United States and Europe pass through the air space lying between Halifax and Sable island. As the minister is no doubt aware, these aeroplanes leaving New York fly above the coast of Nova Scotia near a point in Newfoundland, and thence across the Atlantic to European destinations.

The present government might quite properly deny that they had any intention of using Sable island as a geographical co-ordinate. However, as clause 5 is now worded, any future government could make such a choice by order in council without having to come back to parliament for amending legislation. If this came to pass, it can readily be seen how this could cause international complications; and I believe the naming of these co-ordinates at present would assist the government—and this is the answer to the question put to me a moment ago by the minister of external affairs—rather than delay the negotiations as suggested by the minister.

Mr. Martin (Essex East): My hon. friend has not studied this matter carefully.

Mr. Crouse: In conclusion, Mr. Speaker, I hope these suggestions will be given careful consideration by the minister and that he will spell out the geographical co-ordinates in order to provide a clearcut picture of the benefits of this bill to the Canadian fishing industry and the aeronautics industry; and by removing the veil of secrecy, improve the international relations between Canada and other countries.

Hon. H. J. Robichaud (Minister of Fisheries): Mr. Speaker, I have listened with great attention to the remarks made by the hon. member for Queens-Lunenburg (Mr. Crouse). He has referred to the recommendations made by the Fisheries Council of Canada, an organization which represents the Canadian fishing industry from coast to coast. As was stated by my colleague, the Secretary of State for External Affairs (Mr. Martin) when he introduced the bill, the discussions which have taken place so far with the ten countries interested in fishing in Canadian waters or in proximity to the Canadian shore, were based on the representations which were made to the government on January 28, 1963 by the council.

On April 20 of this year, while the Fisheries Council of Canada was having its annual meeting in Charlottetown, I had the opportunity of meeting the executive of this council. I want to state to the house that I received unanimous approval from the Fisheries Council of Canada of the action being taken by the government with regard to the 12 mile limit.

The hon. member for Queens-Lunenburg has made reference to Russian, Spanish and Portuguese vessels which will be fishing in proximity to the Canadian shore even though the 12 mile limit is introduced. It is true that they will have the right to fish outside of the 12 mile limit, and there are a number of fishing banks located outside of the 12 mile limit which are being frequented not only by Canadian fishermen but by fishermen from a number of foreign countries.

But the hon. member for Queens-Lunenburg, who is familiar with the fishing industry and has a personal interest, also knows that the 13 countries represented on the international commission of the north Atlantic fisheries, including all the countries operating on these banks which have been referred to by the hon. member, are subject to certain regulations and conventions for the conservation and preservation of our fisheries. This year the annual meeting of the international commission of the north Atlantic fisheries will take place in Hamburg during the month of June.

The hon. member has referred to the seal operation. As I have stated in the house before, and we have given notice already to this effect, we want the seal fishery of the north Atlantic outside of the 12 mile limit to

come under the protocol to ICNAF in order that we can have regulations which will be observed for the preservation and conservation of the seal herds which mean so much to a large number of fishermen of the Atlantic coast.

When this bill was before the other place a representative of the Fisheries Council of Canada answered a number of questions asked him by members of the other place and he stated that they were satisfied with the action taken by the government. In one breath the hon. member for Queens-Lunenburg says that we are going too far. He is afraid of retaliation by our friends and neighbours, the Americans. In the next breath he says we should define immediately all the co-ordinates. The fact is that we have been negotiating on a 12 mile limit for the last seven or eight months. We have had a number of meetings with different countries, and it was generally agreed by the Canadian representative and the representatives of the other countries involved that it would not be proper to take a unilateral position now by defining specifically what the co-ordinates should be.

When the Prime Minister (Mr. Pearson) announced in the house on June 4 last that it was the intention of the government to take action, he made it very clear that such unilateral action would be taken after discussions with the countries involved. I should like to quote part of the last paragraph of his remarks, as found on page 621 of *Hansard*, in which he said:

> He also called attention to the "historic" and treaty fishing rights of the U.S.A., and I assured him—

He is referring to his meeting with the late President Kennedy at Hyannis Port:

> —that these rights would be taken into account. Discussions will be held with the United States with a view to determining the nature and extent of the U.S.A. rights and interests which may be affected by the action which Canada is taking. Discussions will also be opened as soon as possible with other countries affected, and it is our hope and belief that we will be able to reach agreement with such countries on mutually satisfactory arrangements.

This is the position that Canada has taken after having been unsuccessful in obtaining a multilateral agreement on the law of the sea. I am not complaining because the previous government could not succeed in obtaining such agreement. They were not alone in this regard. There were a number of other countries in the same boat. But when we saw it was impossible to come to such an agreement, in order to prevent powerful foreign countries such as the U.S.S.R., Japan and others establishing historic rights which are recognized internationally and then having to deal with those countries as we are dealing today with other countries that really do have such historic rights, we decided that the time had come for Canada to take action, and we have notified the countries involved accordingly.

Negotiations are now under way. We have completed the first phase of negotiations and we are convinced that we will arrive at a satisfactory agreement. In order to do this it was important that the government should not only make known its intention to proceed with the establishment of a 12 mile fishing zone but that it should be given proper, enabling legislation which would provide the government of the country with the power to proceed with the establishment of such a zone.

Mr. Crouse: Would the minister permit a question?

Mr. Robichaud: Certainly.

Mr. Crouse: He mentioned a moment ago that the resolution was being brought in in accordance with the recommendation of the Fisheries Council of Canada. In checking their brief I note that on page 7 of the proposal by the fisheries council they urge the government of Canada, having reached an understanding with the United States and France and having determined a policy with regard to other nations not having historic rights with Canada, to then make a unilateral declaration. In view of that recommendation would the minister tell the house why the legislation was brought in before these negotiations were completed?

Mr. Robichaud: Mr. Speaker, the Fisheries Council of Canada made it very clear that it was their intention that Canada should make a unilateral declaration with regard to Canadian national waters and a straight base line, once an understanding had been reached with France and the United States, and they also refer in another part of the brief to other countries. This is exactly what we have been doing. We have met here with representatives of these countries. We have met with them on different occasions and we have made known to them what our intentions are. We have made known to them that it is our intention to arrive at some mutual understanding on these matters. Later in my remarks I will answer more directly the question just asked by the hon. member.

I will not attempt in my reply to deal specifically with all the points which have been raised so far in the debate. Most of these questions were answered by the Secretary of State for External Affairs when he introduced the bill for second reading. Furthermore, as the bill will be referred to the standing committee on marine and fisheries there will be further opportunity to go into a detailed examination of its provisions.

Although there are objections from the other side of the house, there seems to be support in principle at least for the action of the government, and the differences that have arisen have to do chiefly with the means of achieving the objectives sought by the bill now under discussion.

One of the main objections, which has been raised by several hon. members, refers to the fact that authority is given to the governor in council to determine the points from which straight base lines may be drawn, without any indication having been given as to how the government proposes to exercise this authority. The Secretary of State for External Affairs (Mr. Martin) has already indicated that the recommendations of the Fisheries Council of Canada, which are very explicit on this point, are being used as a basis for current negotiations. Our only aim, our main aim, is to arrive at an agreement which will assure our own fishermen of the best protection possible while respecting international understanding and the good relations which Canada has with all countries in the world, particularly with our neighbours to the south.

Mr. Douglas: May I ask the minister a question?

Mr. Robichaud: Yes.

Mr. Douglas: Would he agree that the house would be in a better position to pass this legislation if the actual co-ordinates were known so we would know that the minister's statement had been carried out and that the lines drawn actually did safeguard the interests of our fishermen, rather than leaving it to legislation by order in council?

Mr. Robichaud: I tried to make it clear earlier that although the co-ordinates are not specified in detail, I am sure every member of this house who is interested in this legislation has read the brief presented by the Fisheries Council of Canada and has seen the maps which were attached to that brief. As I said earlier, these are the lines that we are using as a basis for our negotiations.

[Mr. Robichaud.]

As I mentioned a few moments ago, the Prime Minister stated that we intended to take this unilateral position after discussions with the countries involved. If we have met with some objections, some of these objections might be based exactly on certain of these co-ordinates. But I want to assure hon. members of this house that we have taken a definite stand on this matter, and this might be one of the reasons our negotiations are taking so much time. We are endeavouring to come to a mutual understanding which we all agree will facilitate the implementation of this legislation.

I should like at this time to refer to the report of the federal-provincial conference on fisheries development which was held last January here in Ottawa, and at which the ministers responsible for fisheries development in all the provinces participated. The report states, and I quote:

> The provincial representatives unanimously support the action of the government of Canada to protect our fisheries through the establishment of a 12 mile exclusive fishing zone measured from a straight base line from headland to headland and inclusion of such waters as the bay of Fundy, the gulf of St. Lawrence, Dixon's entrance, Queen Charlotte sound and Hecate strait as Canadian territorial waters.

How much clearer can I be at this time?

Mr. Howard: May I ask the minister a question?

Mr. Robichaud: Yes.

Mr. Howard: May I ask him whether those waters to which he referred in his quotation from the report of the federal-provincial conference on fisheries, the bay of Fundy, the gulf of St. Lawrence, Dixon's entrance, Queen Charlotte sound, and Hecate strait, will be contained within the 12 mile fishing zone?

Mr. Robichaud: I just want to repeat what I have said earlier. This is the position that Canada is taking. This is the basis of our discussions with the countries involved.

Mr. Howard: But the minister is not at this time saying that these waters will be contained within our fishing zone?

Mr. Robichaud: I am not in a position to determine at this time what action will be taken two months or three months from now when the negotiations have been completed. The government will then be in a position to take a definite stand. As has been stated by my colleague, the Secretary of State for External Affairs, as soon as this legislation is passed, as soon as we are able to come to

an agreement for certain areas, it is the intention of the government to proceed immediately.

I am sure every hon. member will understand that there could be some international problems created in certain areas. I cannot determine now exactly what position will be taken before negotiations are completed. But I want to assure the house that the position that we are taking now, the position we have placed before the other countries, is based on the statement I have just read from the report of the federal-provincial fisheries conference. I want to repeat that these recommendations of the fisheries council and of the provinces are the basis of negotiations with the countries whose fishing interests would be affected by the Canadian action.

Mr. Olson: Will the minister permit a question?

Mr. Robichaud: I wonder if after this question further questions could be delayed until I conclude my remarks?

Mr. Olson: Can the minister indicate how long the government is going to continue these negotiations with other countries who are interested before Canada does take the unilateral action he says is going to be taken?

Mr. Robichaud: I want to make it clear, as has been made known, that we are proceeding immediately to complete negotiations with these countries. We expect to meet with them as soon as possible. The fishing zones will be applied immediately after proclamation, but in so far as Canada taking action towards those interested countries is concerned, we have made it clear that this will be done after our negotiations are completed.

I cannot determine now exactly what the results of such negotiations will be. As I have said, some countries may have stronger objections than others. Some countries may not agree to the proposals that we have placed before them. But I have every reason to believe that the final negotiations, the final agreement will be satisfactory to all interested in the fishing industry. There are some hon. members who have taken the position that negotiations with other countries should have been completed before the introduction of this bill.

In this connection, I would point out that this would be normal procedure if conventions were being negotiated with these countries. I could give as an example the Columbia treaty. As the Secretary of State for External Affairs has already pointed out, this method has been tried by successive Canadian governments since about 1956 and it has not been possible to get an agreement on a multilateral basis. We are now proceeding, therefore, on a different basis. We have a unilateral approach coupled—I want to clarify this—with arrangements of agreements with countries being affected by our action. This unilateral approach would be ineffective without having the appropriate legislation to carry it out. A delay in this legislation would weaken our position and make our negotiations much more difficult. It would do nothing else but result in an indefinite delay. We are, therefore, trying to avoid as much delay as possible so that we can have the 12 mile limit implemented as soon as possible.

Mr. Chatterton: Will the minister permit a question?

Mr. Robichaud: I would prefer when I am through with my remarks, but I will allow this one now.

Mr. Chatterton: Can the minister say how the passage of this bill will assist in the negotiations?

Mr. Robichaud: That is what I have been trying to explain for the last five minutes. We want to show that this government has the power, as authorized by the parliament of Canada, to proceed with this unilaterally, which it is our intention to do. This is what this bill will do, and at the same time it will take care of certain other acts which have been mentioned, and which are included in the second part of the bill.

It will also establish a different approach so far as the territorial sea is concerned. It is true the territorial sea will be limited to three miles, but instead of following the sinuosity of the coast the territorial sea will be based on a three mile area, on a line drawn from headland to headland, and this alone would be of tremendous protection to our inshore fisheries.

Mr. Barnett: The minister has been arguing that the passage of this bill at this time would strengthen the position of the government in negotiations. I would like to ask him why he considers that it would not further strengthen our negotiations if the bill specifically set out the demarcation lines?

Mr. Martin (Essex East): Because you would be giving your whole case away.

Mr. Robichaud: If the bill were specific on every co-ordinate how could we deal with countries that are interested? It would mean nothing else but that we were taking a unilateral position notwithstanding what the results would be, and we have to deal with many countries, some of which have treaty rights, others have historic rights, and others again claim historic rights, which we may not agree they have.

This is what we are trying to do. We are trying to come to mutual agreement with those countries on those points which are being raised in the negotiations.

There is another point I should like to deal with, and which has been raised by some hon. members. It is to the effect that certain factions of the industry, particularly the united fishermen and allied workers union of British Columbia, have been denied the opportunity of making their views known on the subject. To this I can say that as far as the government is concerned the views of the united fishermen and allied workers union have been made known on several occasions.

We had representations on this subject by mail, and a brief was submitted by the union to the federal-provincial conference last January. I am also certain that most of the members of the standing committee on marine and fisheries, and particularly those representing the British Columbia constituencies, have been duly informed about the British Columbia fishermens unions position.

Furthermore, there will be an opportunity of hearing any group interested in presenting its views when the bill is referred to the standing committee on marine and fisheries following the second reading. I want to assure the house that if this particular group so desires, it will be made possible for them, subject to a decision of the committee, to appear and express their views on the matter.

Again I want to refer to the concern expressed earlier by the hon. member for Queens-Lunenburg (Mr. Crouse) in relation to our traditional fisheries markets, particularly in the United States. Seeing that the interests of the United States fishermen in the areas affected by the establishment of the 12 mile fishing zone and straight base lines are being fully recognized, and I would hope my hon. friend agrees with me on this position, it is difficult to see how the question of retaliation by the United States should even arise.

[Mr. Barnett.]

At this point I may add that in many areas on both coasts, on the Pacific coast and on the Atlantic coast, our own Canadian fishermen are also concerned about certain privileges which they would like to retain in United States waters.

Mr. Crouse: Mr. Speaker, I am very grateful to the minister to have that assurance on the record. I hope that in my remarks I made it quite clear my concern was for the east coast fishing industry where 70 per cent of the catch must be sold in the United States. I am very grateful to the minister for his indication that concurrence has been reached with the United States, that they will continue to fish in the traditional waters in which they have always fished, and that there is no possible chance of retaliation from the United States over this.

Mr. Martin (Essex East): That is right.

Mr. Crouse: I am pleased to hear the minister agree with me on this subject.

Mr. Robichaud: National interest and international good will are to be considered in establishing new extended limits along our Canadian coast lines. While Canada is spending what it does for conservation, for the propagation of species, the extension of the limits to 12 miles and the establishment of a fishing zone seem to me to be sound business. It is, in fact, the kind of action which can be expected by other countries in similar positions. Under these circumstances the more amicable road of negotiation seems desirable and preferable. What we are doing now is to introduce by unilateral action what it has been impossible to achieve, as I said earlier, by international or multilateral convention.

I should now like to refer to the treaty rights which certain countries have in certain of our waters, and to the historic rights which are claimed by others. As has already been stated on several occasions by my colleague, the Secretary of State for External Affairs (Mr. Martin), and myself, United States fishermen will be permitted to engage in their traditional fishing operations on both coasts.

On the Atlantic coast the United States has treaty rights in addition to claims of historic fishing, and for this reason alone is entitled to special consideration in any arrangements on fishing within areas that will become either internal waters or the contiguous fishing zone.

On the Pacific coast, where Canada and the United States are the only two countries whose fishermen operate in the areas off the Canadian coast line, we have a long history of

co-operation with the United States in the development of fisheries of principal concern to the two countries, such as salmon and halibut.

These fisheries have been brought up to a sustained yield level and are being maintained, and in one case, that of salmon, increased by co-operative measures of the two countries and by the restrictions accepted by the fishermen of Canada and the United States for a number of years. Because of this historic intermingling of fishing operations, as well as the intermingling of the stocks of fish concerned, and the long established history of joint conservation measures, it is only fair that the interests of United States fishermen be recognized, and this applies on both coasts.

I want to make it clear, Mr. Speaker, that this recognition would be contingent on United States recognition of reciprocal treatment to be accorded to our fishermen by the United States, should it decide to assume jurisdiction over areas off the United States coasts beyond the three mile limit, where our fishermen would be exploiting any stocks of fish. It is not our intention to tell our neighbours that we want them outside the 12 mile limit when we know—and I repeat what I have already said—that a number of our own fishermen on both coasts are also interested in fishing in United States waters. Had Canada been successful in its attempts during the past ten years to establish a 12 mile fishing zone by way of a multilateral convention, the normal procedure would have been for the government to seek from parliament implementing legislation following the signing of the convention. As this was not possible, the alternative of proceeding by way of unilateral action, coupled with negotiations with countries having fishing interests and this requires legislative authority. A mere declaration by Canada would not suffice. It would amount only to a declaration of intent and such a declaration on behalf of the government has already been made by the Prime Minister. I refer hon. members to the statement made on June 4, 1963. Legislation has now been introduced to give effect to that declaration, to show the countries interested that not only is it the intention of Canada to proceed with legislation establishing a 12 mile limit but that Canada has taken a decision on the matter and passed enabling legislation to establish a territorial sea and fishing zone. Enactment by parliament of this enabling legislation will be an indication of the national will expressed through parliament. At the same time, the bill provides the necessary flexibility to enable the government to take account of the final arrangements with the countries with which we are negotiating.

Reference has been made to the difficulty of enforcing such regulations. I might say to the hon. member that the adoption of the 12 mile fishing zone and the straight base line system will not add materially to the difficulties of enforcement. In some cases enforcement will be rendered easier. With the publication of charts delineating base lines it will be easier both for foreign fishing vessels and for our patrol vessels to get their bearings. Some difficulties of enforcement may be encountered but I may say we are prepared to meet such difficulties. Under the existing law it is almost impossible for Canada to enforce such regulations. We have had experience in recent months of cases where foreign vessels have been apprehended by Canadian patrols. The matter has come before the courts and we have found that we have difficulties in referring to specific legislation which determines whether such vessels were operating inside or outside the three mile limit.

At the present time we have a fleet of some 26 vessels which could be used to patrol both coasts. We have three large vessels on the Atlantic coast—the *Cape Freels*, the *Cygnus*, and the *Arctica* in addition to 11 vessels of medium capacity. On the Pacific coast we have four larger vessels—the *Laurier*, the *Howie*, the *Kitimat* and the *Hunter* besides eight vessels of medium capacity. We also employ air patrols on both coasts, and have exclusive use of two Beavers at all times during the fishing season on the west coast. On the east coast the use of helicopter S-55 plus a fixed wing aircraft is available as and when required. Again, I wish to assure the hon. member for Queens-Lunenburg (Mr. Crouse) that the matter he has raised in connection with air lines will not be a problem when the 12 mile limit is brought into effect.

I hope hon. members will realize the position in which the fishing industry of this country finds itself. I hope they will agree that it is time for Canada to go ahead and to take this unilateral position for the protection of our fishing industry.

Mr. Winch: I should like to ask the minister if he can tell the house something about a technical aspect of this subject either from his own knowledge or from information which I presume he has received from his colleague the Secretary of State for External

Affairs (Mr. Martin). Can he tell us whether or not the extension of the territorial water to 12 miles includes control and authority over the continental shelf, as well as, possibly, ownership?

Mr. Robichaud: No. It has been made very clear—and this has been recognized by international law—that the territorial area will not be changed. It will still be limited to three miles, lines being drawn from headland to headland. This bill is to establish territorial sea and fishing zones only. It does not affect the continental shelf. It establishes a fishing zone which will be nine miles from the outer line of the territorial sea.

An hon. Member: But that covers the shelf.

Mr. Winch: That is my very point. I do not wish to get into a debate about this, and if I can have this information it might save me the necessity of making a speech. Can the minister tell us why the territorial sea does not cover the continental shelf? According to this bill it is an extension of the territorial sea.

Mr. Robichaud: I have made it clear that there will be no change in the definition of the territorial shelf. The area from the outer line of the territorial sea to the outer line of the 12 mile fishing zone, a distance of nine miles, will not involve the continental shelf, but will establish a fishing zone.

Mr. Winch: But the first three miles does.

Mr. Barry Mather (New Westminster): As the sponsor of Bill No. C-27, a bill to establish a 12 mile fishing limit which was put forward by the New Democratic party in this house—and, incidentally, I might say it was talked out at that time—I should like to say a few words on the legislation proposed by the government. Like several other members who have already spoken, I rise to take part in this debate as a member from the west coast, one who is concerned, just as the minister is concerned, with the welfare of the fishing industry and of its workers.

Both in the Atlantic and in the Pacific the establishment of a 12 mile fishing zone has long been sought as a means of conserving and harvesting our fishing resources. The measure before us in my view will not accomplish these objects. It is even true to say there are many in British Columbia connected with the industry who believe it may have an opposite effect. My study of the bill and my understanding of the explanations offered to us so far prompt me to make the following brief criticism of the clauses of this measure.

In clause 2 it is declared that any other act of parliament or any order or regulation made shall have a preferred legislative position and shall not be interfered with by the provisions of Bill No. S-17 unless Bill No. S-17 so states. This means that under the provisions of this legislation at present the United States, for example, will continue to have fishing rights in Canadian waters and nothing is being done in the legislation before us to phase out those rights or change them. Further, nations which claim historic fishing rights may also have that privilege protected, because section 4 of the Coastal Fisheries Protection Act states that the governor in council may issue permits for foreign vessels to fish in Canadian waters whether as a result of a treaty or for any other reason. This means, it seems to me, that our American friends, for example, on the Pacific coast will have continued freedom to troll or drag for fish right up to the three mile limit. In effect, their ability to do so will be decided in practice by whatever pressure is exercised upon our cabinet. This bill further determines that the territorial sea and the fishing zones will be drawn on the headland to headland principle. However, clause 5 leaves these arrangements entirely in the hands of the government to proclaim by order in council. In other words, the government could, by order in council, change a fishing area or move it in or move it out just about the way the tide comes in or goes out.

This to me is a very wishy-washy piece of legislation and there are many people connected with the fishing industry in British Columbia particularly who are not satisfied with it in its present terms. On that point, Mr. Speaker, I would like to read into the record briefly an editorial which appeared earlier this month in the *Columbian*, the New Westminster newspaper, which is headed, "Fisheries bill gutless". The article says:

> Canada's much vaunted 12 mile fisheries bill is becoming more denatured and gutless every day.

The article goes on to say:

> As debated so far, both the U.S. and France claim historic rights to continue fishing to the three mile limit. Only a few European countries would be restricted. In the Pacific, it is not known if Japan and Russia will honour the 12 mile limit, if the U.S. doesn't.
>
> Canada would be spineless if it did not enact the protective regulations it wants off its own shores.
>
> This means Canada would exclude everybody, including the U.S. and France, from fishing within

the 12 mile limit, subject to a modest transition period. Exceptions would be separate, mutual localized agreements, as for sharing the Fraser river fisheries.

Mr. Robichaud: Mr. Speaker, would the hon. member permit a question.

Mr. Mather: Yes.

Mr. Robichaud: In view of the newspaper article which the hon. member has quoted, is he in favour of Canadian fishermen fishing in American waters being given the same treatment and being excluded altogether?

Mr. Mather: My answer is that if the minister and his department would take a more courageous stand in negotiating this treaty, there would be no danger of Canadians being excluded there. I think the minister should proceed in a much more courageous way than he has in the past on this question.

Mr. Robichaud: Has the hon. member any foundation for making that statement?

An hon. Member: Yes, you have no courage; that is the foundation.

Mr. Robichaud: You have not seen the treaty.

Mr. Mather: The New Democratic party cannot accept the legislation as presently proposed; consequently we have moved to have it referred to the standing committee on marine and fisheries for detailed consideration. I think this would be an excellent thing; I believe it would strengthen the minister's position if it were done. I think the minister is a very nice fellow, but he is far too easy a man to negotiate with the type of people concerned in this question. If this matter were referred to the standing committee of the house it could be studied in detail. We want to see a stronger stand and stronger measures taken which would help Canada and her fishing industry.

Mr. Robichaud: And end with nothing.

Mr. Mather: I urge members of the house to seriously consider this motion for the benefit of the fishing industry of Canada, and to vote for the motion to refer the matter to the standing committee on marine and fisheries.

Mr. G. L. Chatterton (Esquimalt-Saanich): Mr. Speaker, I have only four or five minutes left. In that time I wish to indicate to the house the gist of my argument, and I will follow up my contentions with positive statements at a later date when the debate is resumed. With regard to this bill, Mr. Speaker, the hon. member who has just resumed his seat quoted a New Westminster newspaper as saying it is gutless. I would like to go one step further and say that this bill is a hoax; it is a gross deception. It is designed to accomplish two purposes: First, to make it appear that a promise made by the Liberal party in the last election campaign, and a promise made by the Prime Minister (Mr. Pearson) on June 4 last, are being kept; and second it is intended to make people believe that this government is in fact establishing a 12 mile fishing limit. That is going to be the gist of my argument.

On June 4 last the Prime Minister, as reported at page 621 of *Hansard,* said:

—the Canadian government has decided to establish a 12 mile exclusive fisheries zone along the whole of Canada's coast line as of mid-May, 1964, and to implement the straight base line system at the same time as the basis from which Canada's territorial sea and exclusive fisheries zone shall be measured.

In the first place this bill, according to clause 13, will come into force only when it has been proclaimed by governor in council, so that whatever might be in the bill will never become the law of Canada until it is proclaimed. That may never be. But in any case, even if it were proclaimed tomorrow, what does this bill provide for? Absolutely nothing of any consequence, except by way of statements and promises made in various places by members on the other side of the chamber and in the other place. If this bill were proclaimed tomorrow there would exist a 12 mile fishing zone measured from a base line; but there is no indication in the bill as to how this base line will be established. So that even proclamation of the bill would mean absolutely nothing whatsoever in so far as this 12 mile limit is concerned.

Then, Mr. Speaker, when we come to historic rights and traditional rights there is no indication whatsoever in the bill as to the extent to which these rights will be recognized. I asked the minister how this bill would help the negotiation of this matter, and the reply did not convince me in any event. I maintain that this bill is designed for two purposes only; that is, to make it appear that members on the other side of the chamber are fulfilling a promise they made and which obtained for them a great many votes in the last election, and second

in order to hide the general failure of the government to produce what they have promised.

Mr. Speaker, may I call it five o'clock?

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

CANADIAN CONSTITUTION

COMMITTEE TO CONSIDER DIVISION OF LEGISLATIVE FUNCTIONS

On the order:

Mr. Asselin (Notre Dame de Grâce)—That a special committee be appointed to consider matters relating to the constitutional structure of Canada, desirable changes thereto and in particular, without limiting the generality of the foregoing, the proper division of legislative functions between levels of government; that the committee have power to send for persons and papers; that it report from time to time its findings and recommendations to the house; that standing order No. 67 be suspended in relation to the committee; and that it consist of 24 members to be designated at a later date.

Hon. J. Watson MacNaught (Solicitor General): Mr. Speaker, if I could have unanimous consent I would move that this notice of motion stand and retain its place on the order paper.

Mr. Deputy Speaker: Is that agreed?

Mr. Horner (Acadia): No, Mr. Speaker, there is not unanimous consent.

Mr. Deputy Speaker: If we do not have unanimous consent, this motion drops from the order paper. I understand there is not unanimous consent; therefore this motion drops from the order paper.

AGRICULTURAL STABILIZATION ACT

DEFICIENCY PAYMENTS ON CUMULATED REGIONAL PRICE BASIS

Mr. Reynold Rapp (Humboldt-Melfort-Tisdale) moved:

That, in the opinion of this house, the government should give consideration to amending the Agricultural Stabilization Act to:

(1) provide deficiency payments for eggs, hogs, etc., on a cumulated regional price basis rather than on a national weighted average price;

(2) have these deficiency payments made semi-annually instead of annually as at the present time.

He said: Mr. Speaker, I welcome the opportunity to introduce this resolution for debate. This is not the first time I have placed this resolution on the order paper. I placed it on the order paper in the last two or three sessions, but it never reached the debating stage, although it is of great importance to the egg producers and hog producers of Canada.

As you will see from the motion, it provides deficiency payments for eggs and hogs on a cumulated regional price basis rather than on a national weighted price. Second, it suggests that these deficiency payments be made semi-annually or quarterly, instead of annually as at the present time. This is very important to the egg producers, because when the weighted average price in Canada is calculated the producers on the prairies never receive a deficiency payment.

For the record I should like to point out that in 1962 the average price in Canada was 34 cents per dozen. At that time there was a deficiency payment allowance of one cent per dozen. One cent per dozen for grade A large was received across the country. In Saskatchewan the average price over the year was 28½ cents per dozen, and if the price had been calculated on a regional basis the producers would have received 5½ cents to bring them up to the 34 cents. Instead of that they received only one cent because the average national price was 33 cents.

It is very important that these averages be calculated on a regional basis because there are times when the price of eggs goes down quite a bit. I put a question to the Minister of Agriculture (Mr. Hays) on this matter and received an answer today. As we all know, producers of eggs in Saskatchewan at the present time get as low as 17½ cents per dozen for their eggs. If the national average were 34 cents and deficiency payments were based on 34 cents, the farmer would be entitled to at least 13 to 15 cents per dozen. When the national average is taken across Canada and the price over the year in British Columbia and the west, or in Ontario, Montreal and the east, is 33 cents average, deficiency payments will amount to only one cent per dozen.

My argument is that we should pay the price calculated on a regional basis. Whether the regions are defined as the prairies, central Canada and then eastern Canada, or whether province by province, it is all the same. These deficiency payments should also be made, as I said, on a quarterly basis. Although my motion calls for a semi-annual basis, I should like to see them made quarterly. During the

That, in the opinion of this house, the government should give consideration to amending the Agricultural Stabilization Act to:

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last two campaigns the Liberals, realizing that this was a problem, promised a quarterly payment made on a regional basis if they were put in power. So as not to deceive anyone about this, these statements were made on May 3. Therefore all parties seem to be in favour of making deficiency payments on a regional basis instead of on a national weighted average price.

As far as hogs are concerned the matter is much more important. Everyone knows that in the fall when the farmers bring their hogs to the market prices are usually down. The farmers who are able to market their hogs in the spring always get a little better price. If deficiency payments are made on an annual basis it would mean that whatever deficiency payments were paid to the farmers who received low prices for their hogs in the fall they would be cancelled out by the payments received by the other farmers in the spring. This is an important issue. Promises were made by all parties during both election campaigns; this proposal has been advocated by farm organizations across the country; and I think that this is the time to pay attention to the question and to change the act. Actually, the stabilization board makes these payments from October 1 to September 30. That is the year for the calculation of these deficiency payments, and that is the year within which prices are averaged.

I am sure many other hon. members are interested in this very important proposal, Mr. Speaker, so I will not take up any more time in speaking to the matter. I conclude by urging on the Minister of Agriculture, under whose jurisdiction falls the stabilization board, to give consideration to this question; and in view of the fact that promises have been made by his party along the line I have suggested and the matter has been brought to his attention by members of other parties, I ask him to give serious consideration to making these payments on a quarterly basis.

[*Translation*]

Mr. Jean Berger (Montmagny-L'Islet): Mr. Speaker, I listened with much attention to the opening remarks of the hon. member for Humboldt-Melfort-Tisdale (Mr. Rapp) on the motion we are called upon to discuss today. I must admit that I found this motion very interesting and, at first sight, I thought it would greatly help the farm people in my riding. However, after studying it closely, and especially after making some inquiries, I had to change my mind for the following reasons. The motion reads as follows:

At present, the act provides that support prices will be established with respect to the nine following named commodities: hogs, cattle, sheep, eggs, butter, cheese, wheat, oats and barley not produced in the designated areas set up by the Canadian wheat board.

Under the act, the support prices are to be no less than 80 per cent of the average price for the ten previous years. The exact level, in terms of a percentage of the average for the ten previous years, may be set by the governor in council anywhere above 80 per cent but, as far as the named commodities are concerned, it must never be under 80 per cent.

[*Text*]

May I point out here, Mr. Speaker, that support is not limited to the nine named commodities. The act permits the governor in council to provide price support on any other agricultural products. At the present time there is a total of 18 commodities being supported under the act. In the case of products other than the nine named ones, the support can be set at any level which the governor in council determines.

The act also authorizes the governor in council to designate the grades of any product to which support will apply. In the administration of the act there are three methods of providing price support. One is known as the purchase method. Under this method the stabilization board is authorized to buy any products of the approved grades offered to it at the support price. Since the board, under this method of support, is an open buyer of all products offered to it, that is indeed, in my opinion, an effective way of maintaining the price of the product at not below the support level.

This method of support, however, has certain very serious difficulties attached to it which are referred to later. It has therefore been discarded gradually for most commodities and the stabilization board now supports the price of only two commodities by the purchase method, these being butter and cheese.

A second method of support, which has been used in a few instances, is by compensatory payments. There are direct payments

on a unit of product. An illustration of this is the payment of 3.6 cents per pound which is made on first grade cheddar cheese under the dairy support program for the current year announced a few weeks ago.

The third method of price support, and now by far the most common one, is the deficiency payment method. Under this method, if the average price to producers over the support year falls below the support price a direct payment is made to producers for the difference between the two. In applying the deficiency payment method the support price is established on the basis of an average price for the whole area in which the commodity is produced. Thus, for products produced all over Canada the support price is a national one based on the average national price over the 10 year period. Similarly, the price which producers receive, and which is used for determining whether a deficiency payment is necessary, is calculated on the basis of a weighted average national price received by producers. If at the end of the support year that weighted average national price is less than the national support price a deficiency payment is made.

[*Translation*]

This motion would change this method of computation of deficiency payments and would also change the length of time provided for those payments. It would change the method of computation in the sense that it would replace the present national price basis by a regional price basis. In addition, payments would be made semi-annually ininstead of annually as at the present time.

I have already mentioned that the stabilization board has now discarded the system of price support through the purchase method, except for butter and cheese. The reason for that is, that serious difficulties were experienced with most commodities where the formula was applied. That method led to surpluses very hard to dispose of, put the government in the position of buyer and seller of farm products and upset the normal process of production and marketing.

That method is still applied in the case of butter and cheese, because up to now we have not found any satisfactory alternative. You will note, Mr. Speaker, that the motion refers specifically to pork and eggs. Those two commodities actually provided striking examples of the complete impracticability of the price support system through the purchase method I have just mentioned. About four years ago, the board stopped buying eggs and pork and since then, support has been provided through deficiency payments.

One of the main difficulties involved in the purchase method to support prices was, as I said earlier, the problem of marketing huge production surpluses. As long as the government remained an open buyer of all commodities offered, there was no restriction, no check on production. Finally, when the government suspended the application of the abovementioned method, it discovered that it had in stock over a hundred million pounds of tinned pork, and it has just found the necessary outlets for the final disposal of that considerable stock.

A second difficulty of the so-called purchase method, and this applies to the motion now under consideration, was that it removed all incentive to the sale of farm products to any other outlet than the government even at a fraction of a cent below the support price of the government. If the government offered to buy pork in Manitoba, for example, at a fixed price of 22 cents per pound for pork, grade A, it is evident that nobody would sell pork at 21.5 cents per pound, even if there was a demand. Therefore, that represented a very serious restriction to what I would call the normal flow of trade, and that restriction was removed by the program of deficiency payments.

[*Text*]

For the benefit of the hon. member for Humboldt-Melfort-Tisdale (Mr. Rapp) and other interested members may I say that any consideration of applying deficiency payments on a regional basis would have to be certain to have to avoid at the same time that same difficulty of interfering with the normal flow of trade, as I mentioned in French a moment ago. In most agricultural products there is a normal pattern and flow of trade. There are areas which produce more than they can consume, and others which are deficient naturally. Even these surplus and deficiency areas are by no means static. They change, and an area which is in a surplus position at one time may be short at another time. Any action by government which interferes with this normal flow of trade could lead to difficulties.

I should like to point out that a regional price support, even under deficiency payment, could remove the incentive from the people in that area to get the best possible price for their product in any market open to them.

They would know that regardless of how low the price was the government would make up the difference.

I will agree with many hon. members that the present method of price support may not be perfect. In fact, no country has yet found a perfect method of supporting the price of farm products. The present method of providing deficiency payments on an annual basis and on a national average price certainly may not protect fully against temporary difficulties in some regions. But it does prevent distortions in the normal flow of trade, permits production patterns to adjust themselves to changing circumstances and, finally, ensures that producers on the average will be compensated if the average national price over the year falls below the national support level.

[*Translation*]

Therefore, Mr. Speaker, I have come to the conclusion that it would certainly be premature to comply with the hon. member's wishes and change over to a regional basis, unless and until a method can be found to guarantee that such a basis would not create more difficulties than it could remove.

In closing, I should like to congratulate the hon. member for having introduced this motion which, even if it is not accepted by the house, will at least have allowed us to clarify certain points and become better informed about the numerous difficulties facing the farmers. That will enable the government to continue its progressive work in the field of agriculture to the greatest advantage of the Canadian nation.

[*Text*]

Mr. H. A. Olson (Medicine Hat): Mr. Speaker, I want to offer a measure of support to the hon. member for Humboldt-Melfort-Tisdale (Mr. Rapp) with regard to his notice of motion which we are discussing this afternoon. I think his contention that support prices should be established on a regional basis rather than on the basis of a national weighted average is a good one. However, I will have to disagree with the contention that has been put forward by the hon. member for Montmagny-L'Islet (Mr. Berger) that there is a possibility of severe interference with the normal exchange of these commodities between regions. I think it is fair to say that, for the most part, what commodities are produced in a region, that is eggs, hogs and so on, are consumed in that region. I am not trying to confine this statement to a province or anything like that.

I remember back in the days when they had a floor price on hogs and they used the purchasing method to support the price of hogs. The Calgary market is the one with which I am most familiar. At that time the support price for hogs in the Calgary market was based on the Toronto price less the freight. Almost all of the hogs that were coming into Calgary, and I think this applies to Edmonton as well, were either consumed in Calgary or they went to the west coast. The price of hogs in Toronto had nothing to do with the situation at all. There was very little, if any, of that pork that went from the western region to Toronto, but this was the basis of the support price that was paid in that market.

I believe, Mr. Speaker, the same argument applies to a large extent to eggs and a number of other things. I am not going so far as to say that every egg or every pound of pork produced in a region is also consumed there. I feel, however, that the amount of these products exchanged between regions is so small in relation to the total volume it would not present a problem at all. I want to say that I believe it would be far more fair to have these prices established on the basis of regional prices than national ones.

I am wondering if the sponsor of this notice of motion has not inadvertently made a mistake in the wording of the second part of this resolution. It reads in part as follows:

> That, in the opinion of this house, the government should give consideration to amending the Agricultural Stabilization Act to:...
> (2) Have these deficiency payments made semi-annually instead of annually at the present time.

It would appear that the sponsor actually wants these cheques to be mailed twice a year, and I do not believe that is what he wants. I believe he wants to have the calculation made—

Mr. Rapp: Mr. Speaker, the intention was that the calculation should be made semi-annually or quarterly and the cheques could be issued at the end of the year, as was suggested during the campaign.

Mr. Olson: I thank the hon. member for clarifying that because, having heard his remarks, I believed that was what he intended. However, I believe he will have to agree that the wording of the paragraph does not lead one to believe the calculation should be made on the average prices that were in effect during the semi-annual period. The wording is that the payments should be made semi-annually. I believe there is some merit to this suggestion. We know that there are some wide fluctuations in prices, particularly of eggs. I think we could have a more uniform

price base and provide more stability to the egg producing industry if we were to make these deficiency payments on the basis of prices calculated every six months or, as has been suggested, quarterly.

I do not want to go into a lot more detail on this matter this afternoon because I know there are a large number of members who want to speak on the subject. I do believe there is merit in the suggestion the hon. member has made. Furthermore, in answer to the previous speaker, I think that the additional benefits that would flow from this resolution would far outweigh the difficulties that the adoption of it may bring.

Mr. E. Nasserden (Rosthern): First of all, I should like to congratulate the hon. member for Humboldt-Melfort-Tisdale (Mr. Rapp) for bringing forward this resolution at this particular time. This problem has been with us for a number of years, going back almost to the time when the stabilization act was first passed by the Diefenbaker government. There have been repeated efforts on behalf of the producers of eggs to bring to the attention of the cabinet and the Department of Agriculture the problems of producers in various areas of Canada under certain circumstances.

Last week I was in my riding and eggs were selling at the wholesale level at about 16 cents to 17 cents per dozen. Many of the country stores were paying only 12 cents or 13 cents per dozen for eggs, and most of these were going into local consumption. I was very interested in the remarks made by the last speaker from the opposite side. I was rather surprised when he took a stand that was somewhat different from that taken by his party leader, the Prime Minister (Mr. Pearson), during the last two election campaigns. He went from one end of this country to the other pledging something would be done to solve this problem.

I would remind members on the other side of the house that during the period when the present Leader of the Opposition (Mr. Diefenbaker) was prime minister, some of the members who now occupy the front benches pointed out to us the need for the kind of legislation that is being proposed today by the hon. member for Humboldt-Melfort-Tisdale. We wonder whether or not this was one of those things which the Prime Minister has described on one or two occasions as statements made during the heat of the election campaign. This matter may not seem to be very important to the Liberal party, to the Minister of Agriculture (Mr. Hays) or to the Prime Minister, but it is important to those who are trying to make a living from the production of eggs in western Canada. I know of no part of western Canada that is feeling to a greater extent the full effect of the discrimination caused by the present regulations than the province of Saskatchewan.

I really believe the Minister of Agriculture would like to do something about this matter. I hope that he will try to stir those who are near him on the treasury benches to make this minor change in the regulations that could give hope to a number of people who presently do not enjoy hope. What has been said about hogs, of course, is equally true. At the moment it does not apply because prices are not in that particular relationship. All we are asking is that this government do some of the things they said they would do when they were in opposition, some of the things many of us felt would be done as soon as this legislation had reached a stage where those in charge could realize that a change from the original regulations was necessary and vital to the success of the act.

Mr. Patrick Tobin Asselin (Richmond-Wolfe): Mr. Speaker, I would like to congratulate the hon. member for Humboldt-Melfort-Tisdale (Mr. Rapp) for the initiative he has taken in presenting this motion.

I have done some research on the regional versus the national basis of providing deficiency payments on egg and hog prices, and with the help and co-operation of the stabilization board. I have come to the following conclusions. Since the deficiency payment method of supporting egg and hog prices was introduced, representations have been made to the stabilization board to the effect that the deficiency payments should be made on a regional rather than on a national basis. It has been claimed that producers in certain parts of the country would have received considerably larger amounts if the payments had been made on a regional basis.

In view of these representations the board has undertaken to calculate and compare the results of using both bases in the case of the egg support program. In this study separate calculations have been made for each of the nine provinces, and for Canada as a whole. This makes it possible to see what the results would have been if the payments had been made on a provincial as well as on a national basis.

In investigating this matter the first thing to remember is that, regardless of which

basis of administration we wish to consider, it is necessary to calculate two particular prices. In every case it is necessary to determine the prescribed or support price and the weighted average market price. Thus, in order to provide deficiency payments on a provincial basis, we must calculate the support price and the weighted average market price for each province. Any deficiency payment that would be paid to the producers of a certain province would be the difference between the support price and the weighted average market price of that particular province.

The following two tables show the base price, the support price, the weighted average market price, and the deficiency payment for each of nine provinces, and for Canada considered as a national unit, for the egg marketing years 1961-62 and 1962-63. Mr. Speaker, I would like to ask permission of the house to have these figures accepted as read, as I do not want to take all the time of the house on this matter. These are figures supplied to me by the stabilization board, comparing the prices and the results of their tests.

The Acting Speaker (Mr. Batten): Maybe the hon. member would be good enough to give me the source of his figures?

Mr. Asselin (Richmond-Wolfe): These are the comparisons of the amount of deficiency payable to producers of grade A large eggs in 1961-62, using regional and national bases of calculation, and they show the same thing for the year 1962-63.

The Acting Speaker (Mr. Batten): Does the house give unanimous consent to have them printed in *Hansard*?

Mr. Rapp: Are they too long to read into the record, because we are interested to know this while the motion is before the house for debate?

Mr. Asselin (Richmond-Wolfe): If the hon. member does not wish to have his motion passed, because this is going to take extra time, I shall read the table, but I was trying to help him.

Mr. Rapp: I am not objecting to it.

Mr. Asselin (Richmond-Wolfe): I am just referring to the figures prepared by the stabilization board.

The Acting Speaker (Mr. Batten): Does the house agree that these figures be printed in *Hansard*?

Some hon. Members: Agreed.

Mr. Horner (Acadia): Would the hon. member name the person who did the calculating?

Mr. Asselin (Richmond-Wolfe): These are statistics that have come from the stabilization board and it would save a lot of time if I did not read them in the house but had them printed in *Hansard*.

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

TABLE 1.—Comparison of amount of deficiency payable to producers of grade A large eggs in 1961–62, using regional and national bases of calculation

	Weighted ave. producer price 1951–60 (base price)	Prescribed or support price (87.09 per cent of base price)	Weighted ave. market price Oct. 1/61 to Sept. 30/62	Deficiency payment payable for the year Oct. 1/61 to Sept. 30/62	
				Regional basis	National basis
	—cents per dozen—				
British Columbia	40.9	35.6	34.7	0.9	1.0
Alberta	34.4	30.0	28.4	1.6	1.0
Saskatchewan	33.9	29.5	28.0	1.5	1.0
Manitoba	33.2	28.9	27.6	1.3	1.0
Ontario	39.9	34.7	34.2	0.5	1.0
Quebec	41.6	36.2	33.2	3.0	1.0
New Brunswick	42.8	37.3	38.2	0	1.0
Nova Scotia	42.5	37.0	36.6	0.4	1.0
Prince Edward Island	38.6	33.6	32.0	1.6	1.0
Canada	39.0	34.0	33.0	1.0	1.0

Agricultural Stabilization Act

TABLE 2.—Comparison of amount of deficiency payable to producers of grade A large eggs in 1962-63 using regional and national bases of calculation

	Weighted average producer price 1952-61 (base price)	Prescribed or support price (90.7 per cent of base price)	Weighted average market price Oct. 1/62 to Sept. 30/63	Deficiency payment payable for the year Oct. 1/62 to Sept. 30/63	
				Regional basis	National basis
	——cents per dozen——				
British Columbia	39.5	35.8	37.4	0	0
Alberta	32.8	29.7	30.8	0	0
Saskatchewan	32.2	29.2	29.8	0	0
Manitoba	31.6	28.7	31.1	0	0
Ontario	38.4	34.8	38.6	0	0
Quebec	40.2	36.5	37.5	0	0
New Brunswick	41.7	37.8	41.2	0	0
Nova Scotia	41.1	37.3	37.8	0	0
Prince Edward Island	36.7	33.3	34.5	0	0
Canada	37.5	34.0	36.8	0	0

An examination of table I shows several things. In the first place it indicates that if the deficiency payments had been made on a provincial basis, farmers in the three prairie provinces and Prince Edward Island would have received a fraction of a cent per dozen more than they actually did; that farmers in Quebec would have received two cents per dozen more, and that those in the remaining four provinces would have received from a fraction of a cent to a cent a dozen less.

It is also evident that payment on this basis would have meant that producers in Quebec would have received a payment of three cents a dozen, whereas those in New Brunswick would not have received any payment at all. It may also be noted that, if payment had been made on a provincial basis, the amount would have been different in every province. This is in contrast to the complete uniformity of payment which exists when payments are made on a national basis.

Again it can be seen that if payments had been made on a provincial basis no producer in any part of the prairie provinces could possibly have received more than $24 extra income. This could only have happened in Alberta where a producer could have obtained .6 cents a dozen on a maximum of 4,000 dozens.

Finally, it is clear from an examination of the table that the mere act of shifting from a national to a regional basis cannot possibly remove more than part of any inequality or unfairness that may exist in the distribution of deficiency payments. Moreover, this must be the case, regardless of the size or number of regions that might be chosen. While a division into nine regions corresponding with nine provinces might result in a slightly more equitable distribution, it certainly could not ensure anything like complete equity. The truth is that in order to get complete justice or equity in this matter, the calculations would have to be made on an individual farm basis, rather than on either a national or regional basis.

It is obvious, of course, that any program which involved the calculation of a separate payment for every individual farm would be hopelessly unwieldy, extremely expensive, and virtually impossible from the administrative standpoint. This last statement points to a very important reason for not using any regional basis of payment, namely the fact that it would greatly increase the complexity, the cost and the general difficulty of administration. Moreover, these difficulties would multiply as the number of administrative regions increased.

On the basis of ordinary logic, as well as the data shown in table I, I submit that a truly remarkable degree of justice can be obtained without resorting to anything more

complex, and from an administrative point of view, more difficult and expensive, than the national basis of payment.

However, regardless of which basis is or should be used, it seems desirable to try to explain precisely why the payments tend to be distributed differently when a regional basis of payment is used than when the national basis is used. For example, why would the use of the regional basis have increased the payment going to producers in each prairie province by a fraction of a cent a dozen, as indicated in table I? In order to explain this it is necessary to remember that the national weighted average market price is a price which reflects the quantity sold as well as the price received in each and every section of the country. It is especially important to realize that the variation in the quantity marketed in the different sections of the country played a very important part in determining the actual level of this national average price. In order to realize the real significance of this factor, it should be noted that there are approximately twice as many grade A large eggs marketed in eastern as in western Canada.

So, not only are eggs normally sold at a higher price in the east than in the prairies, but far more eggs are sold in the east than in the west. Therefore, in determining the national weighted average market price, the price-raising effect of the larger eastern marketings is considerably greater than the price-reducing effect of the smaller western marketings. The net result is that the national average price is raised a little, simply because more eggs are marketed in the east. And, to the extent that this price is raised, the amount of the deficiency payment is reduced.

In connection with table 2, it will be noted that the relationship between the support and market prices in the year 1962-63 was such that no deficiency payment was called for—and this whether the regional or national basis of administration had been used. Of course, this is because the average market price for the year is higher than the support price in every province, as well as in Canada as a whole. In addition to all the other reasons for not making the payments on a regional basis, there is the very practical difficulty of deciding how many regions there should be, and where a region should begin and end. If the regional basis were adopted, rational procedure would probably result in dividing the country into at least four or five regions. Apart from the fact that any such division would add greatly to the administrative difficulties, it should be realized that it would undoubtedly lead to serious confusion on the part of producers themselves.

Mr. G. D. Clancy (Yorkton): I should like to congratulate the hon. member for Humboldt-Melfort-Tisdale (Mr. Rapp) for bringing this matter before the house once again. Before I go further, I might say I challenge the statistics used by the hon. member who has just spoken. He spoke of $24. Well, 4,000 dozen eggs at 6 cents a dozen, comes to $240, if my mental arithmetic is correct, not $24, and $240 represents a considerable sum to most of my farmers. I may say I am sceptical about the rest of the hon. member's statistics too, and I am sorry we allowed him to put the two tables on the record without challenge.

Frankly, I think that when we ask for regional and quarterly payments we are putting forward a demand which is only fair. Let us divide the country into these regions—British Columbia, the prairies, central Canada and the maritimes. We do not ask that it be done on a provincial basis. It must be borne in mind that all the feed grain subsidies which are now going east are not helping the western farmer. The federal government is paying them in order to help the eastern feeder to produce eggs and hogs. Then there is the other problem which has been mentioned a good deal in this chamber lately—the low water level on the great lakes as a result of which boats are travelling a thousand bushels short. All right. My friends from central Canada tell me the world is bright and rosy; yet they squabble over half a cent a pound on cheese.

Let us be fair to all parts of the country. We feel that the regional basis as a means of making deficiency payments is a fair basis. We feel, too, that our request that payment be made quarterly is a fair and reasonable one. Consider this situation: One man markets a thousand hogs in July and a thousand in February. Another, due to circumstances, has to come in on that last quarter. I do not believe for one minute that opposition speakers can go back to their ridings and say, honestly, that the government is doing its job in this connection, and I think this point has been well made by others who have spoken from this side.

Mr. Rapp: In conclusion, Mr. Speaker—

The Acting Speaker (Mr. Batten): I must advise the house that if the hon. member for Humboldt-Melfort-Tisdale speaks he will close the debate.

Mr. E. F. Whelan (Essex South): The motion before us suggests that the stabilization act be amended so as to provide for regional price support and semi-annual deficiency payments. The hon. member who put it forward stated that there had been a misunderstanding of some sort in connection with this whole idea. But the argument I wish to advance is directed to the impracticability of making semi-annual payments.

The legislation, of course, does not have to be changed to provide for these features. They can be introduced under the act as it now stands. To amend the act to provide for regional supports or for semi-annual deficiency payments would be meaningful only if it was intended to have the law require that price supports be on a regional basis and that deficiency payments be made semi-annually. If that is the intent of the motion, it could present some very serious difficulties.

While the motion mentions eggs and hogs it also adds the word "et cetera", and presumably the intention would be to apply it to all products which are on a deficiency payment basis of support.

Mr. Rapp: I point out that the stabilization board already has authority to authorize payments on a regional basis or on a semi-annual basis. I do not think the act would have to be changed.

Mr. Whelan: That is what I said. But it would be quite impractical to do this. It would be altogether impractical to make semi-annual deficiency payments for such seasonal crops as sugar beets, or soybeans, or Ontario wheat, or tobacco, to mention a few products which are under deficiency payments and are produced only once each year. After the marketing year for such crops is over, the average returns to producers are calculated and if these are below the support level a deficiency payment is made. There would be no practical way in which these payments could be made semi-annually.

There are some other questionable features of the motion, even if it were intended to apply specifically to eggs and hogs. It suggests that deficiency payments be "on a cumulated regional price basis rather than on a national weighted average price".

There are two components of a deficiency payment. One is the support level. The other is the average price which producers receive. If the average price received by producers is less than the support price, a deficiency payment is made for the amount of the difference. At present, for example, the support level is 34 cents per dozen for grade A large eggs and 23.65 cents per pound for grade A hogs. These are national average support prices. If the weighted national average price received by producers during the year is below those support prices there is a deficiency payment.

[The Acting Speaker (Mr. Batten).]

The motion, though, appears to deal with only one of the components of the deficiency payment calculation. It seems to deal only with the price received by producers, and suggests that this should be calculated on a cumulated regional price basis. This appears to assume that if Saskatchewan, for example, were established as a region for eggs, the amount of the deficiency payment would be the difference between the 34 cent support price and the cumulated price received by producers in Saskatchewan. This would not be so. The 34 cent support price is a national average price. It is an averaging of prices in the higher priced regions, such as Quebec, Ontario and British Columbia, with those in lower priced regions, such as Saskatchewan. If we were to have regional price supports, then both the support price and the price paid to producers would have to be based on prices in that region. The support price for Saskatchewan under that arrangement would be much lower than the present 34 cent national support price.

Mr. Clancy: How could our price be lower than it is today? The hon. member said it would be lower on a regional basis. The price is 17 cents a dozen for grade A large eggs now. How could it be any lower?

Mr. Whelan: If you work it out on a regional average price as compared with the national price, it will be lower. In general, changing both the support level and the calculation of producers' returns to a regional basis would not change the situation in different areas very much from what it is now on a national basis. Then, of course, there is the problem of deciding how to define a region. This is one of the real difficulties in working out a regional basis of support. It would hardly be practicable to rely on provincial boundaries. A great many Saskatchewan hogs, for example, are marketed in Manitoba. If the principle was extended to cattle, where would a region begin and end anywhere in the west or, for that matter, anywhere other than nationally? It has to end nationally.

The same difficulty exists with the proposal for semi-annual deficiency payments, even for commodities like eggs and hogs which are marketed throughout the year. Here it seems

to be generally assumed that deficiency payments would be based on the annual support price. But this could not be so. Just as there are areas where eggs and hogs prices are normally lower than in other areas, so with both eggs and hogs there are seasons when prices are higher or lower than in other seasons. If there were to be semi-annual deficiency payments, the support price would have to be calculated on a 10-year average price for those six months, and not for the full year.

Mr. Clancy: Mr. Speaker, would the hon. member permit a question? There is a limit on the number of hogs or the number of dozen eggs you can market and claim deficiency prices for, and it does not matter what time of the year you market them. The hon. member sounds as though he is reading from something written by the stabilization board. I have heard these arguments before.

Mr. Whelan: I did not think I sounded that professional, Mr. Speaker, because I am only a farmer who has had a great deal of experience with deficiency payments. I can say honestly and sincerely that a great many farmers in Canada believed that deficiency payments on this 10-year, so-called average were going to be the saviour of agriculture, and I can tell the house that today, and this has been the case most of the time in the past, the farmers in my area dread the day the announcement is made. They knew it would have this effect. Certain statements have been made today that those on the front benches on this side of the house ran up and down the country proposing the same things as the hon. member is proposing in his motion.

Mr. Rapp: That is right.

Mr. Whelan: I would say this, and I have said it before, that when I campaigned—I don't care how those on the front benches campaigned; I am in the Liberal party and we can campaign any way we like—

Some hon. Members: Oh, oh.

Mr. Whelan: —I maintained that when the country had good management and industry and everything else was booming, agriculture would go along with it. In my own area, on a 10-year average the price of soybeans and other commodities would be much lower if the price was announced, and it would not be of any benefit to anybody in the area now.

Mr. Olson: I wonder, Mr. Speaker, if the hon. member would answer a question. Do you have a different agricultural policy, then, for each constituency?

Mr. Whelan: I am in a free and democratic country, and I would like to remind the hon. member and everyone else in the house, as a farmer who is familiar with these things but who is not a professional, as one hon. member suggested, that my experience of deficiency payments and their effect on agriculture is that if the economy of the nation is booming, as it is at the present time, agriculture in general will benefit from that situation. We can remember well that the former minister of agriculture said, with regard to agricultural policy, "Your turn is coming. Be patient and wait; your ship is coming in". It never came in during all the time he was minister of agriculture.

Mr. Danforth: Mr. Speaker, will the hon. member for Essex South (Mr. Whelan) permit a question?

Mr. Whelan: I haven't much time.

Mr. Danforth: This is a very short question.

Mr. Whelan: I would like to tell the hon. member, with regard to deficiency prices on sugar beets, that when the Minister of Agriculture was in Chatham—

Mr. Danforth: Will the hon. member now answer a question on sugar beets?

Mr. Whelan: Sure, as long as you do not take up all my time.

Mr. Danforth: I ask the hon. member this question for clarification only, since he did mention sugar beets, and to follow his argument. Is he against a regional payment under the stabilization act for Ontario sugar beets?

Mr. Whelan: First of all, Mr. Speaker, I would say that this country has never had a sugar beet policy that was definite. Even what was stated by the former prime minister of this country to the sugar beet growers of western Ontario was refuted the very next day by the chairman of the sugar beet board. We need a policy that will produce sugar for our nation, and such a policy is being worked on by the members of our party right now.

Mr. Danforth: Answer the question.

Mr. Whelan: This motion does not indicate how these very serious difficulties associated with regional supports and semi-annual deficiency payments would be overcome, and in

the absence of these problems being resolved it would be premature to require that those features be introduced into the act.

Mr. Speaker, may I call it six o'clock.

BUSINESS OF THE HOUSE

Mr. Churchill: Mr. Speaker, I would like to ask the house leader about the business for Thursday and Friday. Will we be having estimates on both days?

Mr. Favreau: Mr. Speaker, the order of business will be as announced yesterday; that is, we shall continue the debate on second reading of the bill respecting the territorial sea and fishing zones of Canada. Then we will proceed with the resolution preceding a bill to amend the National Housing Act, 1954. After that we will probably deal with a third bill, concerning the building of a bridge across the St. Lawrence river between the city of Ste Foy and the municipality of St. Nicolas. The following item of business will be the present order No. 13, which is the resolution preceding a measure to amend the Farm Credit Act, which will be followed by the present order No. 12 on the order paper, the resolution preceding a measure to amend the Export Credits Insurance Act. On Friday we will deal with 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, May 28, 1964

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, May 28, 1964

Sir:

I have the honour to inform you that the Honourable Robert Taschereau, P.C., acting as Deputy of His Excellency the Governor General, will proceed to the Senate chamber today, the 28th of May, at 5.45 p.m., for the purpose of giving the royal assent to certain bills.

I have the honour to be,
sir,
Your obedient servant,
A. G. Cherrier,
Assistant Secretary to the Governor General.

EXTERNAL AFFAIRS

Second report of standing committee on external affairs—Mr. Matheson.

CANADIAN FLAG

PROVISION FOR OFFICIAL ESTABLISHMENT OF NEW DESIGN

On the order: Government notices of motion:

May 26—The Prime Minister—The following proposed motion:—That the government be authorized to take such steps as may be necessary to establish officially as the flag of Canada a flag embodying the emblem proclaimed by His Majesty King George V on November 21, 1921—three maple leaves conjoined on one stem—in the colours red and white then designated for Canada, the red leaves occupying a field of white between vertical sections of blue on the edges of the flag and also to provide that the royal union flag, generally known as the union jack, may continue to be flown as a symbol of Canadian membership in the commonwealth of nations and of our allegiance to the crown.

Mr. Speaker: Pursuant to section 2 of standing order 21 this government notice of motion stands transferred to and ordered for consideration under government orders at the next sitting of the house.

NATIONAL ANTHEM

PROVISION FOR RECOGNITION OF "O CANADA"

On the order: Government notices of motion:

May 26—The Prime Minister—The following proposed motion:—That the government be authorized to take such steps as may be necessary to provide that "O Canada" shall be the national anthem of Canada and that "God Save the Queen" shall be recognized as the royal anthem in Canada.

Mr. Speaker: Pursuant to section 2 of standing order 21 this government notice of motion stands transferred to and ordered for consideration under government orders at the next sitting of the house.

LABOUR CONDITIONS

ST. JOHN'S, NFLD.—STEPS TO SETTLE LONGSHOREMEN'S STRIKE

On the orders of the day:

Hon. Michael Starr (Ontario): Mr. Speaker, I would like to direct a question to the Minister of Labour. In view of the prolonged strike of the longshoremen at St. John's, Newfoundland, could he bring the house up to date on what further steps he is planning to take to bring both parties together in order to arrive at a solution of this dispute?

Hon. A. J. MacEachen (Minister of Labour): Mr. Speaker, the latest word I have is that the federal mediators propose and hope to bring the parties together to reconvene the meetings early next week, and the purpose of these meetings is either to explore or settle the issues outstanding, or the development of other methods of settlement. These officials are in constant touch with both parties in exploring every possible avenue that might lead to a settlement.

Mr. Starr: In view of the fact that the efforts to do this in the past four weeks were without any satisfaction or result, would the minister consider bringing both parties together and negotiating himself in this matter?

Mr. MacEachen: Mr. Speaker, the officials who are dealing with this situation are experienced in these problems. They have not been active in the situation for a full month because, as my hon. friend knows, in situations of this kind there must be a willingness and a desire on the part of the parties to reach a settlement before a mediator can actively function. It is a fact also that the federal mediators have not been able to deal alone with the situation because there have been other well-meaning persons also attempting to settle it. It may be now that a situation has been created in which the fullest use of federal mediators will take place.

[*Later:*]

Mr. Donald MacInnis (Cape Breton South): Mr. Speaker, I have a question for the Minister of Labour which I am sure he will agree is most urgent, involving the problem that the mediators are faced with in the strike at St. John's, Newfoundland. Would the minister give consideration to having Mr. Gleason come up again from New York, as he did in Montreal several months ago, and save the government a lot of trouble which it seems it cannot handle.

Mr. MacEachen: No, Mr. Speaker. As I recall it, Judge Lippe had success in resolving the dispute in Montreal, but unfortunately he is not available for this situation.

SAINT JOHN, N.B.—TRANSFER OF MANUFACTURING FIRM TO MONTREAL

On the orders of the day:

Mr. T. C. Douglas (Burnaby-Coquitlam): Mr. Speaker, may I address a question to the Minister of Industry and ask him whether his department is doing anything about the problem of the McAvity's manufacturing concern in Saint John, New Brunswick, which is being closed with the idea of moving the plant to Montreal, involving the loss of employment for some 400 workers. Is the Department of Industry doing anything to prevent this move and to assist the company in remaining in its present location?

Mr. Speaker: May I suggest that the question, important though it is, is one for the order paper.

EXTERNAL AFFAIRS

CANADIAN MINISTERIAL REPRESENTATION AT NEHRU FUNERAL

On the orders of the day:

Mr. T. C. Douglas (Burnaby-Coquitlam): Mr. Speaker, may I direct a question to the Acting Prime Minister and ask who was responsible for the muddle which prevented Canada from being represented by a cabinet minister at the funeral of Prime Minister Nehru.

Hon. Paul Martin (Acting Prime Minister): Mr. Speaker, there has been no muddle in respect of Canadian representation at the funeral ceremony of the late prime minister of India. The government had hoped and had endeavoured to see to it that a member of the government would attend the funeral. Because of the generous invitation of the President of the United States and the U.S. secretary of state, a Canadian representative was offered an opportunity to fly to India in the presidential plane.

[Mr. MacEachen.]

Unfortunately, because of the time of the funeral it was not possible for the presidential plane in Washington to wait until the arrival from Ottawa of a minister. The Minister of National Defence had made preparations; he had gone to the airport in Ottawa; but we were advised that in order to enable the representative of the government of the United States to be in India in time for the funeral, the plane would have to leave Washington ahead of the scheduled hour of departure.

Canada was represented at the funeral this morning by the ambassador of Canada in Cairo, Mr. Jean Chapdelaine, our high commissioner in Ceylon and the chargé d'affaires of our mission in Delhi.

Mr. Douglas: May I ask a supplementary question. Can the minister tell the house at what time the invitation was received and at what time the presidential plane left Washington for India?

Mr. Martin (Essex East): I cannot say at exactly what time the presidential plane left Washington. I think it was just before noon. We were advised about the invitation some time between nine and ten o'clock.

Mr. Douglas: May I ask the Acting Prime Minister this. In view of the liaison which is supposed to have been established between the air services of the two countries, surely it would have been possible between the time the invitation was received and the time the presidential plane left for the R.C.A.F. to have flown the minister of defence to Washington.

Mr. Martin (Essex East): The plane which could have reached Washington in an hour and a half was not in Ottawa at the time. It was in New York city and it was not possible to get it back in time. Every effort was made.

I am sure the hon. gentleman would not want to allow his questioning to convey the impression that there was not the keenest desire, and that every effort was not made, by the government to discharge a responsibility which, in the circumstances, it was its duty to perform. There can be no doubt—and I am sure the hon. member would not wish to leave such a doubt—of the deep regret of the government, shared by every member of this house and the people of this country, at the death of the great prime minister of that great Asian nation, India.

Mr. Douglas: So there may be no misunderstanding I wish to make it perfectly clear that I am sure the government had every desire to be represented at the funeral. I do want to say to the minister, however, that I think there was an inexcusable amount of

incompetence on the part of whoever was responsible for making the arrangements.

Mr. Martin (Essex East): I cannot allow the hon. member's words to pass without comment. There was no incompetence. It is not the fault of the government if we did not have a plane which could fly our representative from Canada to the funeral in time. We simply do not have such a government plane.

Some hon. Members: Oh, oh.

Mr. Martin (Essex East): Well, it is a fact. If the Minister of National Defence could have flown to Washington in time to join the presidential plane, he certainly would have done so. He made every effort to do so. It is not, desirable, if I may say so, for the hon. gentleman to persist in this questioning because of the wrong and unfortunate impression that it may create. We had considered asking our high commissioner in London to fly from London to Cairo, but the high commissioner was on his way to Canada to fulfil another engagement. Every effort was made to have a member of the government attend the funeral of Prime Minister Nehru. No country would be more desirous of having a representative of its government at the funeral than Canada which enjoys, and has enjoyed for a long time, such a valued friendship with India.

Right Hon. J. G. Diefenbaker (Leader of the Opposition): After all that explanation I have one simple question. When did this plane—the only one which could have conveyed the Canadian representative to Washington—find its way to New York, and for what purpose was it in New York?

Mr. Martin (Essex East): It had gone to New York for the purpose of enabling a minister of the crown to discharge an important function in New York city on behalf of the government of Canada.

Mr. Diefenbaker: The question was, when had it gone?

Mr. Martin (Essex East): I am advised that the plane had left that morning, before we received the news; and I am sure a former prime minister of Canada will recognize the situation.

Mr. Diefenbaker: I do. I fully recognize it as an example of complete negligence, if I am asked the question.

Mr. Martin (Essex East): Mr. Speaker—

Mr. Diefenbaker: I have the floor at the moment.

Mr. Martin (Essex East): —the right hon. gentleman has made a comment—

Mr. Diefenbaker: I have the floor at the moment. I am not having those interruptions.

Mr. Martin (Essex East): Mr. Speaker—

Some hon. Members: Sit down.

Mr. Speaker: Order, please. It does seem to me that we have had a very long discussion about this matter and that a full explanation has been given.

Mr. Martin (Essex East): On a question of privilege, Mr. Speaker, involving—

Mr. Diefenbaker: Oh, oh.

Mr. Martin (Essex East): —what the right hon. gentleman has said. I should say to him that I cannot take back the words he has uttered, but I can say to him as a former prime minister that those words and his comments were not worthy of one who has held that high office.

Some hon. Members: Hear, hear.

Mr. Diefenbaker: Mr. Speaker, I am not going to enter into a controversy with the hon. gentleman. When it comes to unworthiness he has a place all his own.

[*Later:*]

Mr. Gene Rhéaume (Northwest Territories): Mr. Speaker, my question is to the Minister of Transport, relating to the statement made by the Acting Prime Minister that Canada had no aircraft capable of taking someone to India in time for the funeral. Was any contact made by the minister with T.C.A. in relation to the need to transport a member on the treasury benches to India?

Hon. J. W. Pickersgill (Minister of Transport): It so happens, Mr. Speaker, that I was on the train travelling to Montreal at the time the news was received by the government. Therefore it was not possible for me to take any action in the matter, but I am perfectly sure my hon. friend the Secretary of State for External Affairs did everything humanly possible in the circumstances.

Mr. Rhéaume: Then will the Acting Prime Minister answer the question, if he was the one handling this whole business?

Mr. Martin (Essex East): Yes, Mr. Speaker, that matter was gone into.

Mr. Erik Nielsen (Yukon): I have a supplementary question for the Acting Prime Minister with respect to the investigation into the possibility of T.C.A. supplying an aircraft so that a member of the government could attend the funeral of the late prime minister of India. If the matter was gone into, as you will recall it was in the case of Mr. Symington, the ex-president of T.C.A. who died some time ago, could he inform the

house what was the reply of T.C.A. as to why an aircraft could not be supplied?

Mr. Martin (Essex East): If my hon. friend will recall what I said when this question was put earlier, there was the question of time involved. The death of the late prime minister of India was made known in the morning. We had to take into account the fact that the plane would have to arrive in time for us to take part in the funeral, and after examining the schedule of the funeral and other factors, the conclusion was that this could not be done.

LAOS—CANADIAN PARTICIPATION IN CONSULTATIONS RESPECTING NEUTRALITY

On the orders of the day:

Mr. H. W. Herridge (Kootenay West): Mr. Speaker, I wish to address an entirely proper and fitting question to the Acting Prime Minister. In view of reports that consultations among at least six of the 14 nations who signed the 1962 Geneva agreement respecting the neutrality of Laos were expected to begin in Vientiane some time this week, has the minister any information he could give the house with respect to this reported meeting and is the government intending to send representatives to the meeting?

Hon. Paul Martin (Acting Prime Minister): There are consultations on this matter, and Canada is a participant in those consultations. The present position is that we are in favour of consultations under article IV of the Geneva protocol, and we would be willing to take part in such consultations. It would seem to us preferable that such consultations take place in a less formal way than is normally understood by the proposal to hold an international conference. I might say we also believe it would be preferable that any consultations take place in Vientiane, to enable the Laotian prime minister to stay in his country at this critical period.

ADMINISTRATION OF JUSTICE

HOLDING OF UNITED STATES CITIZEN IN TORONTO JAIL

On the orders of the day:

Right Hon. J. G. Diefenbaker (Leader of the Opposition): Mr. Speaker, I want to direct a question to the Minister of Citizenship and Immigration arising out of the serious situation created in the city of Toronto, where a man was incarcerated for 100 days without trial and without a charge being laid; then the charge was laid against him of failing to answer questions asked by an immigration officer.

[Mr. Nielsen.]

Now that the minister has had an opportunity of looking into this matter, while the wrong that has been done cannot be rectified can he give the assurance to the house that from now on people are not going to be incarcerated because they fail to answer the kind of questions that sometimes are asked, not always legally, by immigration officers?

[*Translation*]

Hon. René Tremblay (Minister of Citizenship and Immigration): Mr. Speaker, certain facts reported by the Leader of the Opposition are inaccurate. The man in question was put in custody under the immigration legislation. Different proceedings were taken while he was in Canada. If certain delays occurred, either at the level of the department of immigration or the level of the administration of justice, such a situation will be corrected in future. I think the Minister of Justice (Mr. Favreau) will soon submit a more detailed report to the house.

[*Text*]

Mr. David Orlikow (Winnipeg North): A supplementary question, Mr. Speaker. I would like to ask the minister whether the people in his department who are guilty of either negligence or of being very slow will be reprimanded or disciplined for what they did in the past, not for what they may do in the future.

[*Translation*]

Mr. Tremblay: Mr. Speaker, I do not think that such an assertion is true. There has been no undue delay. However, certain reports at the various levels of the administration have been made official and we shall try, as much as possible, to shorten those delays in the future.

[*Text*]

Mr. Pugh: Sixty days and 100 days.

Mr. Eldon M. Woolliams (Bow River): I have a supplementary question, Mr. Speaker. I want to direct this question to the Minister of Justice. I wonder if he would care to disclose to the house why bail was granted and then two hours later the charge that had finally been laid was withdrawn, after 90 to 100 days. I think it is a matter for the Minister of Justice to take a look at, Mr. Speaker.

Mr. Speaker: Order, please. I certainly do not want to prevent any questions on anything having to do with the liberty of any citizen of this country, but this matter was discussed yesterday and an explanation has been given today. The hon. member for Bow River is asking for detailed information. May I suggest that he put his question on the order paper.

Mr. Orlikow: Mr. Speaker, I would like to have this matter discussed at ten o'clock.

Mr. Andrew Brewin (Greenwood): Mr. Speaker, I wonder if I might ask a supplementary question. Is the minister able to confirm whether this man was in jail without trial for 90 days or more and, if so, does he not think that in itself is undue?

Mr. Speaker: Order, please. This is the same question in effect as that asked by the hon. member for Bow River, and I would ask the hon. member to put it on the order paper, or he may have an opportunity later on this evening to discuss it.

Mr. Woolliams: Mr. Speaker, I should like to give notice to have the matter discussed at ten o'clock.

Mr. Orlikow: Mr. Speaker, on this matter I asked the Minister of Justice a question on Monday and he said he would take it as notice and reply later. Now the minister is here perhaps he can make that reply.

Hon. Guy Favreau (Minister of Justice): Mr. Speaker, I will give the house a full account of what took place, because I and the Minister of Citizenship and Immigration requested a report on all the circumstances. I have a direct answer prepared which I will make on my own responsibility; but as it is quite lengthy I suggested yesterday to the hon. member who put the last question that he might want to put his question on the order paper so I could table the answer. The hon. member for Winnipeg North is of the opinion that the matter is urgent enough for me to read the answer, although it might be somewhat lengthy. Therefore if hon. members agree I shall do so right now.

Mr. Speaker: A matter dealing with human liberty does seem to me pretty important, and if the house gives consent and the minister is prepared to make a statement now I think we should hear him.

Mr. MacInnis: Mr. Speaker, on a point of order, is this not an unusual procedure? You have ruled several members out of order and directed that they should put their questions on the order paper; you have made it necessary for an hon. member to give notice to debate the matter at ten o'clock; but now that the minister is prepared to answer you are going to go along with him.

Mr. Speaker: Order. If the hon. member had listened to the discussion he would have understood—at least I would hope so—the remarks I made to the effect that dealing with the rights of citizens seem to me an important matter. The minister is prepared to deal with the matter now and I asked whether the house was prepared to listen, and I understood from the house that it was. Therefore it seems to me that those last remarks are really out of order.

Mr. MacInnis: Mr. Speaker, I would draw to the attention of the house and Your Honour the fact that the questions asked also dealt with the rights of citizens.

Mr. Favreau: Mr. Speaker, I have now received a full report concerning the case of Mr. Harry Hooper and have discussed it with my colleague the Minister of Citizenship and Immigration. I find that Hooper was in custody during the period of February 25, 1964 until Tuesday of this week, but this incarceration was not by any means related only to the charge which was preferred against him under section 50(e) of the Immigration Act.

He was first taken into custody by the metropolitan Toronto police on a charge of having assaulted his estranged wife. This charge was subsequently withdrawn on March 15. This part of the detention was therefore under provincial authority.

He continued in detention under the authority of the Immigration Act as a person believed to be in Canada unlawfully and subject to deportation. He had been deported on three previous occasions. The first time was in March 1962, and this order was based on the fact that Hooper had been convicted at Toronto on January 4, 1961, for having been in possession of a drug in violation of the Opium and Narcotic Drug Act.

The Immigration Act provides that persons who are deported shall not return without specific permission from the minister, but notwithstanding this Hooper returned to Canada without authority and was deported a second time on February 26, 1963. He again entered Canada illegally and was deported a third time on January 4, 1964. He returned three days later.

The inquiry with respect to his fourth unlawful entry got under way on March 23, after he had been given ample opportunity to retain counsel if he wished to do so. At the inquiry he refused to answer questions put to him by the special inquiry officer. The Immigration Act provides that such refusal is an offence punishable on summary conviction. Because of Hooper's refusal the special inquiry officer found it necessary to adjourn the hearing to April 7, at which time other evidence was adduced to establish his unlawful entry and he was ordered deported to the United States, of which country he is a citizen. He did not appeal against the order.

The next step in the sequence of events was this. Immigration officials at Toronto decided to refer the case to immigration headquarters

in Ottawa for instructions on whether to execute the deportation order immediately or take steps to have a charge preferred in relation to Hooper's refusal to answer questions put to him at the inquiry. In this connection it should be noted that the Immigration Act provides that a person who commits an offence under the act is liable to be prosecuted and to undergo punishment notwithstanding that a deportation order has been made against him.

It was decided to prefer the charge, but in the making and implementing of this decision there was a lengthy delay and the charge was not laid until May 22. Hooper was brought before a magistrate on that date and the case was adjourned until May 25. Because of the delay between the making of the deportation order and the preferring of the charge it was decided it should be withdrawn, and this was done with the permission of Magistrate Bigelow on Tuesday of this week.

Certain delays were occasioned in the administrative machinery in processing this matter, but I can assure hon. members that steps have been taken, after discussion between myself and the Minister of Citizenship and Immigration, to prevent the repetition of such an occurrence in the future.

Mr. R. Gordon L. Fairweather (Royal): A supplementary question, Mr. Speaker. Would the Minister of Justice now answer my question of yesterday in which I asked him to ask the provincial attorneys general to see whether there are any other people who are victims of such absolutely shocking delay in preferring and processing charges?

Mr. Favreau: Mr. Speaker, now that the facts have come to my attention, and although I would have no jurisdiction to request intervention—

Mr. Fairweather: You have jurisdiction to lead.

Mr. Favreau: If the hon. member will bear with me I think he will be satisfied with the attitude I intend to suggest I ought to take. Although I have no jurisdiction to request the attorneys general of the provinces to act, as was suggested yesterday—and this is the reason my answer had to be what it was—now that the facts are before me I intend to refer both the facts and the question of my hon. friend to the various attorneys general with the suggestion that they might want to make inquiries in their respective domains.

INQUIRY OF THE MINISTRY

On the orders of the day:

[*Translation*]

Mr. Réal Caouette (Villeneuve): Mr. Speaker, I should like to direct a question to the Minister of Public Works. Could he tell us whether employees of his department have measured the flagpole at the top of the parliament tower to see if it will be possible to raise simultaneously the two flags proposed by the government?

[*Text*]

NATIONAL DEFENCE

REPORTED MOTHBALLING OF NUMBER OF INTERCEPTOR AIRCRAFT

On the orders of the day:

Hon. D. S. Harkness (Calgary North): Mr. Speaker, I wish to address a question to the Minister of National Defence but in his absence I will address it to the associate minister. Is it a fact, as reported in the morning paper, that 25 per cent of Canada's interceptor aircraft, the Voodoos, have been mothballed?

Hon. Lucien Cardin (Associate Minister of National Defence): Mr. Speaker, I saw the article to which the hon. member has referred, which reports that the R.C.A.F. fighter strength has been reduced by 25 per cent. This report is inaccurate. As a matter of fact, of the 66 CF-101's that we had on inventory, 64 now remain. Of this total 55 aircraft are being used for squadron operations and training and nine aircraft are undergoing rotational modification and maintenance, which is the normal situation in maintaining fleet effectiveness.

CANADIAN FLAG

INQUIRIES RESPECTING CONSIDERATION OF NEW DESIGN

On the orders of the day:

Mr. Heath Macquarrie (Queens): Mr. Speaker, I have a question for the Acting Prime Minister, who is also a member of the nation's intelligentsia. Can he give the house any information on the government's attitude in response to an interesting and thoughtful letter sent to the Prime Minister, other ministers and, indeed, to all members by an outstanding group of Canadian scholars, including such a great historian as Professor Creighton, suggesting the withdrawal of what the writers call the "innocuous" flag design and putting forward a formula for producing a more meaningful and widely acceptable symbol which would invoke the history of this great country?

Hon. Paul Martin (Acting Prime Minister): Mr. Speaker, I have not yet seen the correspondence to which my hon. friend refers.

Mr. G. W. Baldwin (Peace River): Mr. Speaker, I have a supplementary question for

the Acting Prime Minister. The notice of motion to which he lent his name this afternoon contains the words "that the government be authorized to take such steps as may be necessary to establish officially" and so on. Do the steps referred to in this motion contemplate either directly or indirectly the expenditure of moneys within the meaning of section 54 of the British North America Act, which of course requires a money resolution?

Mr. Martin (Essex East): Mr. Speaker, it is not correct, of course, for an hon. member to ask for a legal opinion, but I might say that this question and other matters can be more appropriately discussed when the motion is formally before the house.

Mr. Eldon M. Woolliams (Bow River): A supplementary question to the Acting Prime Minister. Has the Canadian government received any complaint from the United Kingdom through diplomatic channels to the effect that the flag question should be settled prior to the visit of Her Majesty; and has the Canadian high commissioner to London been recalled as a result?

Mr. Martin (Essex East): Mr. Speaker, the answer to the first part of the question is no. Since my hon. friend has referred to the Canadian high commissioner to the United Kingdom, I am happy to say that he is in our capital city. He was in the gallery until a few moments ago, and I am sure all hon. members are very glad to see him. I am sure my hon. friend knows the answer to the second part of his question without my reply to it. The answer is, of course, that the high commissioner is not in Ottawa for the purpose to which my hon. friend seeks to give some implication.

Mr. D. M. Fisher (Port Arthur): A supplementary question to that raised by the hon. member for Queens, Mr. Speaker. I ask it because I heard the hon. member for Leeds indicate yesterday that the new flag has a tremendous history behind it. I want to ask the Acting Prime Minister whether the government is prepared to table, before the debate, a report on two aspects in connection with the flag design and development. I refer to a report on the history of the design as it has come forward, which would be for our general information, and second, can the minister provide us with a report as to the status of the union jack as a symbol of a member nation in the commonwealth of nations?

Mr. Martin (Essex East): Mr. Speaker, I am sure that the suggestion made by the hon. member is one that warrants consideration, and I assure him that it will be given.

Mr. Fisher: I thank the minister for his warranty. I should like to put the question more directly. Has the government prepared such reports on these two aspects of the flag?

Mr. Martin (Essex East): Mr. Speaker, when this matter is formally before the house my hon. friend will see the great extent of preparation by the government in this important matter.

Mr. A. D. Hales (Wellington South): I have a supplementary question for the Secretary of State for External Affairs. Now that it is proposed that Canada have two flags, and Canada is—

Some hon. Members: No, no.

Mr. Hales: —and Canada is a senior member of the commonwealth of nations as well as a member in good standing of the United Nations, which flag will Canada fly at the United Nations?

Mr. Martin (Essex East): It is clear of course, Mr. Speaker, that the suggestion made in the first part of my hon. friend's question is inexact. The terms of the resolution are before the house and my hon. friend, I am sure, has read them. The appropriate time to ask a question such as that and the appropriate moment to respond to it will be when this matter is formally before the house.

Mr. Olson: I should like to address a question to the Secretary of State for External Affairs.

[*Translation*]

Mr. Gilles Grégoire (Lapointe): A supplementary question, Mr. Speaker—

[*Text*]

Mr. Speaker: Order, please. Is the hon. member for Medicine Hat asking a supplementary question?

Mr. Olson: No.

Mr. Speaker: The hon. member for Lapointe.

[*Translation*]

Mr. Grégoire: Thank you, Mr. Speaker. I have tried to get that information before, but the hon. member for Medicine Hat would not give it to me.

My supplementary question is directed to the Secretary of State for External Affairs or, to the Acting Prime Minister and is as follows: Is the government considering the possibility of discussing the resolution in two parts, so that the house may vote a first time on a distinctive national flag for Canada and a second time on the union jack, in order to avoid the dilemma in which the members of the house find themselves?

[*Text*]

Mr. Speaker: This question was asked yesterday.

[*Translation*]

Mr. L. J. Pigeon (Joliette-L'Assomption-Montcalm): Mr. Speaker, I wish to direct a supplementary question to the Acting Prime Minister and ask him if it was Mr. Smallwood who prompted the government to decide on two Canadian flags and two Canadian anthems; what influence did he have?

[*Text*]

Mr. Speaker: Order, please, I think the time has come to recall to hon. members the fact that questions are supposed to be asked, not statements made, at the question time. I wish members would help the Chair a little bit in that respect.

Mr. Pigeon: We face the same old bunch, Mr. Speaker.

Mr. Speaker: The hon. member for Medicine Hat.

Mr. Valade: A supplementary question, Mr. Speaker.

Mr. Speaker: Would the hon. member for St. Mary ask a direct question after the hon. member for Medicine Hat, who has been trying to get the floor for some time.

Mr. Olson: I wanted to ask this question respecting the amount—

Mr. Valade: I rise on a point of order, sir.

Mr. Speaker: I have suggested to the hon. member for St. Mary that he allow the hon. member for Medicine Hat to ask his question. He has been on his feet at least ten times.

Mr. Valade: I rise on a point of order, sir. I believe that Beauchesne gives preference to any supplementary question—

Some hon. Members: No, no.

Mr. Valade: —which is related to the question being asked. Obviously, on this point of order I should be able to ask my question.

An hon. Member: Read the rules.

Mr. Speaker: I must tell the hon. member that I think his point of order is frivolous. I have already suggested to him that he ask a separate question. If he has the right to ask a separate question, surely that is better than a supplementary.

[*Later:*]

Mr. Georges Valade (St. Mary): I want to ask a separate question related to a previous question asked by an hon. member. My question is directed to the Associate Minister of National Defence.

[*Translation*]

Could the associate minister of defence (Mr. Cardin) tell us which of the two flags will be adopted as a distinctive flag by the three services, that is the navy, the air force and the army, or will the armed forces adopt two flags?

Hon. Lucien Cardin (Associate Minister of National Defence): Mr. Speaker, I think it would be better for the hon. member for St. Mary to wait until the matter is discussed in the house.

[*Text*]

UNITED NATIONS

FURTHER CONTRIBUTIONS TO COST OF PEACE KEEPING OPERATIONS

On the orders of the day:

Mr. H. A. Olson (Medicine Hat): I should like to ask the Secretary of State for External Affairs a question arising out of a statement made by the secretary general, U Thant, in Ottawa on Tuesday. The secretary general suggested that the United Nations was going to have to go back to those countries it had previously dunned and ask for voluntary financial contributions to carry on peace keeping arrangements. I should like to ask if Canada has been approached in this respect and what has Canada's response been?

Hon. Paul Martin (Secretary of State for External Affairs): Well, Canada has already acted. Canada is a participant in the United Nations peace keeping force, and it is paying its own expenses.

Hon. Gordon Churchill (Winnipeg South Centre): I should like to ask the Secretary of State for External Affairs if the government has offered a special contribution to the United Nations for expenses in the Congo operations?

Mr. Martin (Essex East): When the secretary general was here on Monday I advised him that the Canadian government, in answer to his request, would make a contribution of $500,000 on a voluntary basis to supplement the special civilian fund for the Congo which had been set up on his initiative. The secretary general announced this contribution at the press conference which he held in Ottawa on Tuesday afternoon last.

Mr. Churchill: Had the minister previously reported this to the House of Commons?

Mr. Martin (Essex East): I had not. It was the secretary general who gave the press conference that information which Canada had

passed on to him. I think it was quite appropriate that he should have made the announcement that he did.

Mr. Churchill: We are familiar with the practice of getting government announcements from the press. Do we now refer to the United Nations for other government announcements?

Mr. Martin (Essex East): I am sure my hon. friend would agree that in many instances involving world affairs, the United Nations is a good place to which to refer.

Mr. Churchill: What about the House of Commons? Would you not report to it?

Mr. H. A. Olson (Medicine Hat): I should like to ask the Secretary of State for External Affairs if there are any other special contributions that Canada is now committed to, over and above her regular assessment for the United Nations.

Mr. Martin (Essex East): I will take that question as notice.

NORTHERN AFFAIRS

ALASKA HIGHWAY—INQUIRY AS TO NEGOTIATIONS WITH UNITED STATES

On the orders of the day:

Mr. Erik Nielsen (Yukon): I have a question for the minister of northern affairs, and I might say I am glad to see him back in the house after his Vancouver visit. The question is based on a speech he made before the chamber of commerce in Vancouver, I believe it was last Monday, referring to the paving of the Alaska highway. Can he inform the house whether any negotiations or discussions, formal or otherwise, are under way with the government of the United States for the paving of the Alaska highway? Is he in a position to justify the inference, as the press reported, made at the Vancouver meeting that the United States government might pay the whole cost of paving the highway?

Mr. Speaker: Order, please. Under the instructions given me I suggest this is a question which ought to be put on the order paper.

Mr. Nielsen: If Your Honour is ruling it out of order on the grounds of urgency—if there is an announcement to be made I think it should have been made—I wish to give notice that I would like to debate the matter at ten o'clock.

Mr. Speaker: The question was not ruled out of order. I suggested that it be put on the order paper on the grounds that there was not sufficient urgency to require an immediate answer.

Mr. Nielsen: Very well, I give notice to debate it at ten o'clock.

CANADIAN CONSTITUTION

REPLIES FROM PROVINCES RESPECTING PROPOSED CHANGES

On the orders of the day:

Mr. George Muir (Lisgar): Mr. Speaker, I would like to address a question to the Prime Minister, but in his absence perhaps the Acting Prime Minister would take it as notice and have the answer for me tomorrow. Would the Prime Minister inform the house which provinces have replied to his request on the matter of necessary changes to the constitution in order to proceed with the Canada pension plan?

Hon. Paul Martin (Acting Prime Minister): As the hon. gentleman suggested, Mr. Speaker, I shall take the question as notice.

HOUSE OF COMMONS

PRESENCE IN GALLERY OF MEMBER OF KENYA GOVERNMENT

Hon. Paul Martin (Acting Prime Minister): While I am on my feet, Mr. Speaker, I am sure the house will note with pleasure the presence in the diplomatic gallery of a distinguished member of the government of Kenya, Mr. Mungi.

Some hon. Members: Hear, hear.

INDIAN AFFAIRS

POSTPONEMENT OF PROPOSED DOMINION-PROVINCIAL CONFERENCE

On the orders of the day:

Mr. Gene Rhéaume (Northwest Territories): Mr. Speaker, my question is for the Minister of Citizenship and Immigration. Can the minister tell the house whether it is true that he has suddenly called off the federal-provincial conference on Indian affairs which was to have been held on Monday and Tuesday?

[*Translation*]

Hon. René Tremblay (Minister of Citizenship and Immigration): Yes, Mr. Speaker, that conference was supposed to take place early in June but was postponed until October.

[*Text*]

Mr. Rhéaume: As a supplementary question, can the minister tell the house whether this will have the effect of postponing a decision on the Indian claims commission until after October, or next year?

[*Translation*]

Mr. Tremblay: No, Mr. Speaker, there is no relation whatsoever between those two matters.

[*Text*]

Mr. T. C. Douglas (Burnaby-Coquitlam): Would the minister tell the house why the conference is being postponed?

[*Translation*]

Mr. Tremblay: To give the provinces more time to study the propositions that will be submitted to that conference.

[*Text*]

UNEMPLOYMENT INSURANCE

INQUIRY AS TO MEASURES TO REPLENISH FUND

On the orders of the day:

[*Translation*]

Hon. Théogène Ricard (St. Hyacinthe-Bagot): Mr. Speaker, may I direct a question to the Minister of Labour?

In view of the fact that the unemployment insurance fund shows a deficit of over $25 million could the minister tell the house what measures he intends to take so as to replenish the fund?

[*Text*]

Mr. Speaker: Would the hon. member put this on the order paper, as it requires a very detailed answer.

TRANSPORTATION

HAMILTON, ONT.—REPORTED SHORTAGE OF FREIGHT CARS

On the orders of the day:

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I direct a question to the Minister of Transport. I ask this question on behalf of the hon. member for Hamilton South (Mr. Howe), who is in Montreal with the committee on food and drugs. Is the minister aware of the fact that the International Harvester Company in Hamilton has laid off more than 65 employees because the company is not able to get flat cars to deliver its finished combines; and will the minister consult with the two railways to see if this shortage can be met without delay?

Hon. J. W. Pickersgill (Minister of Transport): Mr. Speaker, I shall be very glad to bring this to the attention of the railways.

TRADE

FEDERAL PARTICIPATION IN INTENSIFIED WORLD CRUSADE

On the orders of the day:

Mr. Thomas M. Bell (Saint John-Albert): Mr. Speaker, I have a question for the Minister of Trade and Commerce. Has the government any plans to participate in the new and intensified world trade crusade by Canadians, referred to by the president of the Montreal stock exchange in Banff yesterday? If so, what are these plans?

Hon. Mitchell Sharp (Minister of Trade and Commerce): Mr. Speaker, I should like to take this question as notice.

Mr. Speaker: I am sorry I did not hear the minister.

Mr. Sharp: I should like to take the question as notice.

PRIVILEGE

MR. GRÉGOIRE—REPLY TO QUESTION ON ORDER PAPER

On the orders of the day:

[*Translation*]

Mr. Gilles Grégoire (Lapointe): Mr. Speaker, my question is rather a question of privilege because it follows the answer I was given to question No. 834 I had put on the order paper.

That question was addressed to both the Minister of Transport (Mr. Pickersgill) and the Postmaster General (Mr. Nicholson), and I submit that the answer is entirely inadequate, in fact it is not an answer at all, and now that this question of privilege is before the house those ministers should take a look at question No. 834 which is related to a typical case of patronage, as practised by the Post Office Department, and give it an answer that will be satisfactory, simple and accurate.

[*Text*]

VETERANS AFFAIRS

DISPOSITION OF FUNDS OF WAR PRISONER CLAIMS COMMISSION

On the orders of the day:

Mr. H. W. Herridge (Kootenay West): Mr. Speaker, I wish to direct a question to the Minister of Veterans Affairs. I apologize for not sending him notice of it, but I was prompted to ask it by someone outside the house, after I had come into the house. Has the minister received a report from the prisoner of war claims commission as to the disposition of the funds under its jurisdiction?

Mr. Speaker: Surely the hon. member would be delighted to put this on the order paper.

TERRITORIAL SEA AND FISHING ZONES

LEGISLATION RESPECTING TERRITORIAL WATERS AND FISHERIES LAWS

The house resumed, from Wednesday, May 27, consideration of the motion of Mr. Martin (Essex East) for the second reading of Bill No. S-17, respecting the territorial sea and fishing zones of Canada.

Mr. G. L. Chatterton (Esquimalt-Saanich): Mr. Speaker, in the four minutes I had yesterday afternoon before five o'clock I made a few introductory remarks, and for the sake of continuity I will refer briefly to the comments I made yesterday.

I said that this bill, No. S-17, was gutless, was a hoax and a gross deception; that it was designed for two purposes, one, to make it appear that the promise of the Liberal party and of the Prime Minister is being met and, second, to make it appear that the 12 mile fishing limit is being established by way of this bill.

I have here a valuable document. It is a page from the Victoria *Daily Colonist* of March 31, 1963. It is headed "The Policies of the Liberal Party". It is a full page advertisement, and as I say it is a valuable document and one which gets more valuable by the day as we approach another election. This document is a clear indictment of the Liberal party, containing as it does a record of the promises which have been made and which have not been fulfilled.

This attempt to make it appear that the promise regarding the 12 mile limit is being fulfilled is, I say, a hoax. Included in the promises set out in this advertisement is a commitment to establish a 12 mile limit for offshore fishing. I notice that the hon. member for Victoria is in his place. I remember so well how in the last two elections he and his friends accused the previous government of doing nothing about the establishment of a 12 mile fishing limit. The facts are, of course, that our government in the United Nations conventions of 1958 and 1960 tried to get United Nations approval for our formula of six miles and six miles. Indeed, it came within one vote of having this formula approved in 1960. In subsequent years our government continued its efforts to negotiate agreements with the other governments involved.

The Liberals, of course, said they could get this accomplished on a unilateral basis; they were the only ones who could do it. This promise, Mr. Speaker, falls into the same category as many of the others which appear in this advertisement. I might mention, for example, the reform of taxes. Well, they reformed them; they increased them. Then there are the promises concerning student loans, national development, health care, rural housing, fishing credits, the improvement of mortgage loan facilities and so on. I could enlarge that list further if I wished, but I mention these things merely to point out that in my opinion the 12 mile fishing limit proposal falls within that group.

Yesterday I referred to the statement which the Prime Minister made on June 4 as reported on page 621 of *Hansard*. I quoted the right hon. gentleman as saying "With these considerations in mind the Canadian government has decided to establish a 12 mile exclusive fisheries zone—" and so on. The words I want to emphasize are "to establish a 12 mile exclusive fisheries zone". Then again on June 6, as reported on page 728, the Prime Minister replied to a question put to him by the hon. member for Churchill. The hon. member's question was, in part:

> —is it the intention to ensure that by mid-May 1964 Canadian fishermen will have exclusive fishing rights in this new zone?

To which the Prime Minister replied:

> Yes, Mr. Speaker, it is our intention that Canadian fishermen will have the rights that they are entitled to in Canadian jurisdictional waters by, I think it is, mid-May 1964.

It was because of this promise, containing the deadline of mid-May, that the government were prompted to introduce this bill at the present time. They ran into difficulties which they did not anticipate in their negotiations with the other countries, and this is their way of making it appear as though they had fulfilled their promise.

The second point on which deception is based is this. The government is trying to make it appear that this bill establishes a 12 mile fishing limit—

Mr. Martin (Essex East): Precisely.

Mr. Chatterton: The Secretary of State for External Affairs says "precisely".

Mr. Martin (Essex East): Yes. That is what it does.

Mr. Chatterton: The establishment of a 12 mile fishing limit—

Mr. Martin (Essex East): Would the hon. member permit me to say this? As the Minister of Fisheries and I have both pointed out, the bill before the house does exactly that. When the bill is passed there will be no delay in proclaiming that part of it which establishes a 12 mile fishing limit.

Mr. Chatterton: The secretary of state has helped me considerably, because he began his statement by saying "when this bill is proclaimed".

Mr. Martin (Essex East): I said that when the portion of the bill dealing with the 12 mile exclusive fishing zone has been proclaimed,

the 12 mile limit will be established forthwith and there will be no delay in doing so.

Mr. Chatterton: Clause 13 of the bill says that the act or any provision thereof shall come into force on a date or dates to be fixed by proclamation of the governor in council. Thus no part of the bill becomes effective or can be enforced until proclamation takes place.

Mr. Martin (Essex East): That is the law of the land.

Mr. Chatterton: The minister says there will be proclamation soon. Maybe that is right. But even if the bill is proclaimed it does not establish an effective 12 mile fishing limit. All it does is say there will be a 12 mile fishing limit measured from the base line. But since there is no way, through proclamation, by which the base line is defined, there can be no 12 mile fishing zone. This must be so because it is not known where the base line is.

Mr. Martin (Essex East): There is a base line now, based on sinuosities.

Mr. Chatterton: The minister says there is a base line now based on sinuosities. That is true. But the 12 mile limit based on a fixed line will not be in effect until the co-ordinates are named by order in council.

Both the Secretary of State for External Affairs and the Minister of Fisheries have stated that the passage of this bill would assist the government in negotiating with the other countries involved on such matters as historic rights, traditional rights and treaty rights. My question is immediate; if this bill is to be valuable in this respect now, would it not have been even more valuable when negotiations were begun many months ago? Further, if this bill places the government in a better position to negotiate, would not the government be in a much stronger position now if it could tell us at least the co-ordinates for the major bodies of water in which commercial fishermen and others are interested? On the west coast, for instance, there is Hecate strait, Queen Charlotte sound, the Dixon entrance, and so on.

The secretary of state, giving evidence before members of the other place, said he hoped negotiations with the other countries concerned would be ended in the latter part of the year. If that is so, why could not the present bill have been delayed until these important matters could have been referred to in it? In that case we would be given something concrete to consider.

The minister has indicated that the bill will be sent to the standing committee on marine and fisheries. However, nothing at all appears in the measure now before us with regard to a number of important matters with which the people in this business are concerned. I have in mind the co-ordinates on which the base line will be measured, the question of which waters will be considered Canadian waters, the question of the extent to which historic and traditional rights will be recognized, and so on. There is nothing in the bill before us about which the committee could ask questions or hear evidence. The minister might tell the committee what it is intended to do or what it is hoped to do, but there is no meat in this proposal for a committee to get its teeth into.

The minister has agreed that the bill will not come into force until it is proclaimed, and that the base line will have no meaning until the co-ordinates are made known. Why rush this measure through now, when there is so much important legislation on the order paper and when so many other major matters are still to be put down for parliamentary consideration? We are spending our time considering a bill which means nothing whatever.

We shall be able to go into greater detail at a later stage, but with regard to part II I have a letter sent to me by MacLaren, Laidlaw and Corlett, solicitors in this city acting on behalf of nine international air lines. I quote from a brief or memorandum they submitted respecting this bill. These agents of these nine international air lines are concerned with regard to part II of the bill. As the hon. member for Queens-Lunenburg (Mr. Crouse) said, according to the bill it is possible for instance, for the government by order in council to name some point on Sable island as one of the co-ordinates to establish a base line. We accept the assurance of the minister that they will not do that, but this is what the representatives of these nine international air lines say:

> The present government might quite properly deny that they had any intention of using Sable island as a geographical co-ordinate. However, our point is that as section 5(1) of Bill S-17 is presently worded any future government could make such a choice by order in council without having to come back to parliament for amending legislation.

Mr. Speaker, there is concern in their minds because it is possible for some future government to establish co-ordinates, in order to make concessions to other countries, for which they would not have to account directly to the house. I would appeal to the government If they will not agree to having this bill sent to committee before second reading so the committee could go into the whole matter of the principle involved, then at least at the committee stage the government should attach to the bill a schedule indicating the co-ordinates to be used to measure the base

lines for the important bodies of water. This is the point about which the people in the business are concerned.

Mr. C. W. Carter (Burin-Burgeo): Mr. Speaker, I should like to take a few minutes to reply to some of the criticism of this bill which has been voiced from the opposition benches. At this stage on second reading we are concerned mainly with the principle of the bill, and the principle is certainly very clear. It is, do we want a 12 mile territorial limit or do we not? It is very simple; you are either for it or you are against it.

Most of the speeches from the opposition benches have criticized the details of the bill, which criticism would be more appropriate at the committee stage. As the minister has already said that it will be examined by the standing committee on marine and fisheries, surely that will provide every opportunity to bring out all the various points with regard to the details of the bill in which hon. members opposite are interested.

The criticism that has been voiced so far mainly concerns four points. The first point is that this bill is of no consequence; that it is a hoax, a deception and a pretence of keeping an election promise. That point was taken mainly by the hon. member for Esquimalt-Saanich, who has just resumed his seat. The second criticism is that it should not have been introduced until all the multilateral agreements had been secured. The third criticism has been that this bill gives recognition to treaty and historic rights.

All this criticism, with the exception of that offered by the hon. member for Queens (Mr. MacLean), who replied to the minister on behalf of the Conservative party and who I believe was very fair in his comments, to date has been rather negative and there has been nothing constructive or positive. The kindest thing that I think can be said about it is that it has been based on a lack of understanding of the bill. Certainly that was very clear in the remarks of the hon. member for Esquimalt-Saanich, because my understanding of the bill is quite different from his in the way he outlined it to the house.

Most legislation falls into two classes. One class is called declaratory; it brings something into existence. The second class is known as enabling legislation because it authorizes the government to do something or try to do something. This particular bill is both because when it is proclaimed, or at least when a certain section of it is proclaimed, it will create a nine mile fishing zone adjacent to our present territorial waters. In the face of that fact, how can any intelligent person say that this bill is a hoax or is of no consequence? Our present three mile territorial waters, with the exception of the Newfoundland coast line waters, are based on what is called the sinuosity principle, which means that they are measured straight off from the shore and consequently follow the indentations and contours of the coast line.

If hon. members are interested in knowing why Newfoundland is a little different in this respect, I can tell them that it is based on an interpretation by The Hague tribunal of a treaty between the United States and Great Britain. The treaty dates back to 1818 but the interpretation of The Hague tribunal was made in 1910 and established the headland to headland principle. Newfoundland, as an autonomous, self governing part of the British empire, adopted this headland to headland principle in defining its territorial sea and brought that principle with her when she became part of Canada.

To the extent that the section of this bill, when proclaimed, will establish unilaterally a fishing zone extending 12 miles off from headland to headland along the Newfoundland coast line, and 12 miles from land along the remainder of the Canadian coast line, the bill is declaratory. If nothing else happens, we will have established jurisdiction over the conservation and harvesting of our fishery resources in a belt of water extending 12 miles from land, and that is certainly a big improvement over what we now have.

But this particular bill goes further than that. It will give the government enabling powers, authorized by parliament, to do two things more. First, as I understand it, it will enable the government to delineate a new zone of territorial waters, based not on the sinuosity principle as at present but on the base line principle, which I believe is a variation of the headland to headland principle extended to include offshore islands. In the second place it will give the government enabling powers to delineate a new fishing zone adjacent to and extending seaward nine miles outside the new territorial waters. In other words the jurisdiction over the conservation and harvesting of our fishery resources will be measured 12 miles seaward from the base line instead of 12 miles from land as at present. This will enclose a much larger area of water and will also create new inland waters which will greatly facilitate conservation measures, particularly with regard to our seal fishery. It will also have significance from the standpoint of national security.

In establishing any delineation of territorial waters realistic people must realize that there must be exceptions to the general rule. Obviously the general rule of a 12 mile limit cannot be applied where there is less than

12 miles of water between the coast line of Canada and that of a foreign country. A very good example of that lies near my own constituency. I refer to the islands of St. Pierre and Miquelon, which at their nearest point are only nine miles distant from the coast line of the Burin peninsula in my riding, the average distance between the two coast lines being somewhere around 15 miles. Obviously neither country can have a 12 mile territorial limit under those conditions, so that the sensible thing to do is to work out a mutually satisfactory arrangement.

The same applies to historic rights, which in the case of some nations are embodied in treaties and have become treaty rights. If I understand the position taken by the hon. member for New Westminster, which was described in the editorial which he placed on record yesterday and which he obviously endorses, he would have us tear up these treaties and brush them aside like scraps of paper. I do not think any member of parliament would seriously want Canada to behave in such a manner. In any case it is not very responsible behaviour, and is certainly not a good position from which to start bargaining.

I do not know what is the situation on the Pacific coast, but I can tell hon. members what the position is in my own riding. Certain European countries have fished in the coastal waters of Newfoundland, particularly those of my own riding, for over 400 years. They have fished there continuously. The French islands of St. Pierre and Miquelon again afford a good example. The economy of both these islands depends largely on the inshore fishery. The French fishermen use the same inshore fishing grounds as the Newfoundland fishermen whom I have the honour to represent. They experience the same hardships and vicissitudes of life and make about the same kind of living, just enough to keep body and soul together but not much more. I would not want to deprive those St. Pierre fishermen of their historic and treaty rights upon which their livelihood depends. I would not want to take their bread and butter out of their mouths and the mouths of their children, any more than I want French, Spanish and Portuguese draggers to deprive my own fishermen, particularly in the Rose Blanche area, of their livelihood. We want to live and let live. We want to do what is right by them as we expect them to do what is right by us. If these St. Pierre fishermen did not have any rights I would certainly want them to have rights, because they are people. Their livelihood depends upon those rights, and people are certainly more important than politics.

The position which this bill takes is that treaty rights and historic rights do exist. The honest thing to do is to recognize this fact and get together and work out the best course to take. Let us decide what is the right thing to do in the light of all the circumstances for all concerned, and which at the same time will take care of the problems which are troubling us.

The fourth criticism has been that this bill should not have been introduced until multilateral agreements had been secured. Exploratory talks have been going on in connection with this matter for the past ten years. It was recognized ten years ago that the present three mile territorial limit was not suited to Canada's needs. Unless we show that we mean business by passing this legislation, these talks could very well go on for another ten years with still nothing accomplished. That would be an even worse deception than what hon. members opposite say about this bill, because we would have to keep talking and talking indefinitely without any clear achievement or sign of achievement.

If we really mean business in this matter, as I am sure we do, it seems to me that the proper thing to do is to pass the legislation which shows that we mean business, and then start the formal talks which are necessary to work out the problems connected with the establishment of the base lines from which our new territorial waters and the new fishing zone will be measured.

Canada has a good reputation among our neighbours for the way in which she has honoured and respected her treaties, and for her relationships with other countries. We want to maintain that reputation. In this regard I should like to put on record a paragraph from an editorial in yesterday's issue of the Halifax *Chronicle-Herald,* which reads as follows:

> In international law Canada has a good but not incontestable case for its actions. If a contest arose, they might or might not be upheld by the international court. Perhaps the countries affected will agree to Canada's moves, perhaps they will not; and perhaps we cannot afford to ignore their objections.
>
> All of this, of course, remains to be seen. In the meantime the government deserves to be commended for its determination to press this vital issue forward.
>
> Parliament should grant the government the authority it requests.

Now, Mr. Speaker, as for my own province and my own constituents, we have waited long and patiently for this legislation. We are happy that it is at last before this house. It has tremendous significance not only for the future of the fishing industry but for the security of our country. It has a special significance for my own province, where the fishing industry has played a dominant role in our economy for over 400 years.

It is even more significant for the people of my own riding, especially those engaged in the inshore fishery around the Rose Blanche and Port aux Basques area who year after year have had their gear destroyed and have been denied the fishing grounds by foreign draggers at the very time when the fishery is at its peak, thus having to remain ashore and watch themselves and their families being deprived of their livelihood. We welcome this legislation and I support this bill without any reservation whatsoever.

I want to close with one final word to the government. I wish to emphasize the need of urgency in this matter. Time is of the essence. Already too many long years have passed without action in this regard. Without detracting from anything that was done by the former government—and I am prepared to give that government full credit for the efforts they made in this regard and to say we are benefiting from what they did—the time has now come to carry this matter one stage further and not to waste time debating the principle, because this legislation is very urgently needed and the sooner it can be passed the better for all of us.

Mr. Frank Howard (Skeena): Mr. Speaker, may I start by making a brief reference to the closing remarks of my good friend from Burin-Burgeo. I say to him that debating this measure is not a waste of time. Precisely because of its importance it is most necessary to debate it to ensure in every possible way that the fisheries of our nation and the rights and opportunities of our fishermen are protected. That being so, in my opinion any suggestion that debating this bill is a waste of time is spurious and facetious, and the house should not be asked to approach the matter in that manner.

It is perhaps appropriate that at this time in our history we are now concerned, or will be concerned within the next few days, with two matters relating to our sovereignty. The bill before us is one of them. It involves the sovereignty and authority of the government of Canada in an area where they did not exist before but should have existed. The other matter concerns the attitude of sovereignty and independence which apparently has found its way into the heart of the Prime Minister (Mr. Pearson) and is exemplified in the design for a flag which he put before us the other day.

There is a similarity between these two matters. We are asked to think of the proposed flag as being symptomatic of our sovereignty, our national identity and the unity which exists within Canada. With respect to this bill we are being asked to make an initial declaration to be followed by certain orders in council which again will involve our sovereignty, national identity and unity.

The bill before us involves resources of our nation, namely, those of the sea. It involves the application of sovereignty in relation to the conservation and protection of our fisheries resources. To my mind these two measures seem to go hand in hand. I cannot say whether it was by accident or design that the government saw fit to introduce them at this particular time. This is something that the government alone knows. But if it was by design, if the government planned to introduce into the forum of parliament and into the minds of the Canadian people the flag on the one hand and the proposal for a 12 mile fishing zone on the other, I think the government deserves to be congratulated to some extent because of the opportunity that is afforded to us to make a thorough inquiry into all aspects of the two measures, as those aspects are related to each other, because they involve our sovereignty and because they involve what many of us have been striving for for many years, namely, an autonomous Canada which manages its own affairs and does not have to bow to the desires or interests of other nations.

In the proposal for a flag we really have not a two flag policy but one might say more appropriately a two faced policy, involving the union jack and the so-called distinctive Canadian flag of which the Prime Minister at least is enamoured. If that is the approach to be taken it is also pleasant to realize that among the people of the province of Quebec there is a great desire for compromise on this matter, and that if the flag resolution on the order paper is accepted it will mean that in the province of Quebec there will be acceptance of the union jack as emblematic of something which is perhaps dearer to some people in Canada than to others.

I also submit that the bill before us is a two faced proposal like the flag and represents the attitude of a government that tries to do everything both ways, that tries to sell the Canadian people a bill of goods on the one hand and tries to protect the interests of others on the other hand, a government that tells us it is doing something for our protection while at the same time it is really catering to the whims and desires of some other part of the world. The purpose of the bill before us has been described in press releases and elsewhere as being to put into effect an exclusive fishing zone. This is part of the two faced policy because it will not be an exclusive fishing zone if the bill becomes law. There will in fact be the maintenance of the privilege which France and the United States have had for

150 to 200 years to fish within the proposed 12 mile zone and to continue to do so, not for 10 years or 20 years or some period at the end of which this would cease but forever. Forever is a blessed long time for these rights to fish in our waters to be continued. In this sense the policy is a two faced one.

On the one hand we are asked to adopt a distinctive flag emblematic of our feeling of independence and unity and on the other hand we are doing every blessed thing we can to preserve the conditions in treaties made with foreign powers without doing anything to try to negotiate any change in the terms of those treaties. It is claimed that the bill reflects a decision on the part of the government to take unilateral action, but again this is an indication of a two faced approach because the bill does not provide for such unilateral action at all.

One of the prime bases upon which the bill rests is the basis of negotiation with all the other countries that have or claim treaty or historic fishing rights in the area which we propose to embrace within the 12 mile fishing zone. I will not bother to read the quotation from *Hansard*, but the Secretary of State for External Affairs (Mr. Martin) has referred at different times to negotiations that are taking place. This, again, is an indication of a two faced approach. We claim this is a unilateral decision on the one hand, and on the other hand we say it is not because we are negotiating with these other countries. The Secretary of State for External Affairs shakes his head. His words are in *Hansard*. His words are there for posterity to see and for anybody to read. His words are in the reports of the proceedings of the Senate banking and commerce committee before which he appeared as a witness. He may shake his head, but the shaking of his head will not act as an eraser and rub out those words, no matter how rubbery the situation might be. These words will remain.

The Secretary of State for External Affairs and the Minister of Fisheries (Mr. Robichaud) have said they are negotiating with other countries. They spelled out these various negotiations.

Mr. Martin (Essex East): I do not want to interrupt my hon. friend's speech, but I know he is interested in this subject. With regard to the 12 mile fishing zone, there is no doubt that when this bill is passed that section of the bill dealing with the 12 mile zone will be proclaimed. This will represent the achievement through a unilateral act. With regard to the straight base line, that is a matter for negotiation.

Mr. Howard: I do not know which coat the minister is wearing at the moment, but in so far as this bill is concerned I shall refer to him as the Secretary of State for External Affairs. I would just say that he has just proven he is the best actor we have ever had in this house, whether as prime minister or in any other position. His words will not cover up the fact that we are negotiating with the other countries in respect of this particular bill. He shakes his head again. As I have said, no matter how many times he shakes it, it will not act like the eraser on the end of a pencil. His words will remain in *Hansard* for all to see.

[Mr. Howard.]

It is claimed on the one hand that this bill is designed to protect our fisheries. At the same time, both the Secretary of State for External Affairs and the Minister of Fisheries have said that never at any time was it our intention to interfere in any way, to abrogate or even change the treaties which are in existence which give specific rights to foreign countries to fish within this area. Never at any time was it their intention to do this. On the one hand they refer to protection to the fullest extent, but this protection applies to nations other than the United States and France. They talk about conservation in the same way. This is designed to conserve our fisheries, while at the same time they want to allow foreign nations to fish in these areas.

We have with respect to the flag a proposal for some national identity which I submit is a design or proposal developed primarily to suit one province. With regard to the 12 mile fishing zone proposal before us, it is designed primarily to suit one nation. In so far as the flag matter is concerned, may I just quote briefly from a letter which I received a few days ago and which reads as follows:

> The plan for a distinctively national flag for Canada, under the present method of Mr. Pearson's is just another sop to Quebec. While no doubt he feels it politically expedient to defer to Quebec in most matters, it is getting to be too much. Why should a minority of five million, because of threats or other forms of blackmail, make 14 to 15 million others bow to their wishes?

Mr. Deputy Speaker: Order, please; I hesitated to interrupt the hon. member and I had allowed him to continue until now to make reference to a resolution on the order paper, because I thought he was attempting to draw a parallel between the situation before the house at the present time and that resolution. However, the hon. member will recognize he cannot go beyond the limits he imposed upon himself when he started to address the house. I do not feel he should go into the details of this other matter at this time.

Mr. Howard: It was not my intention to extend my remarks beyond attempting to draw a parallel from the contents of the letter I have just read. This is indicative of the feeling of a great many people in Canada. The attitude of this government towards negotiation of matters connected with international affairs is almost identical. There is not one whit of determination or sand in the government to stand up—

Mr. Martin (Essex East): I thought you were one of my admirers, and my friend.

Mr. Howard: I am your friend and admirer. I would do what I could to put you in the position permanently which you now hold in an acting capacity. You see how much of a friend of yours I am when I want to do that. I would say to the hon. gentleman that he would be indicating far more clearly to the Canadian people the attitude of this government towards its relationships with other countries, especially on this 12 mile fishing zone, if he arranged to withdraw the proposed flag and substitute one which contained the stars and stripes. We would have a more clear indication of what this government is trying to do with the fisheries resources of this country.

Mr. Habel: Would you go for it?

Mr. Howard: My friend asks if I would go for it. This is not worthy of an answer. I do not want to be drawn into these snide comments by the member who continues his speech while in a sitting position. If occasionally he would like to rise formally I would be glad to debate matters with him.

We have before us a particular motion moved by my colleague, the hon. member for Comox-Alberni (Mr. Barnett) that the subject matter of this bill be referred to a standing committee. The argument has been made outside of this house, more than in it, that if the motion carries the government would be defeated and there would be an election. Why that was said, I do not know, unless it constitutes a threat of some sort.

My position with regard to voting on want of confidence motions that may be moved in respect of this government is well known. However, this in no way interferes with my feelings or attitude on a measure such as this. If in the process of voting on the motion of the hon. member for Comox-Alberni, it happens to carry and the government is defeated, that is well and good. We will at least have something concrete and worth while to talk about during the election campaign. The argument used that this would cause the defeat of the government is not really well founded, unless the government wants it that way.

Perhaps I could make reference to an action which took place last year in which there were two bills before the house dealing with an attempt to divide the Northwest Territories into two territories, one of which would be the new territory of Nunassiaq. It was after some extended discussion on those bills that the Minister of Transport (Mr. Pickersgill), who then had the position of house leader, on November 15, 1963 moved a motion which received the endorsation of everyone in the house, because parliament was desirous to take that course of action, a motion that the subject matter of the two bills be referred to the standing committee on mines, forests and waters for consideration. Then there was the important proviso:

> —provided however, that despite this motion the said bills shall remain on the order paper as orders for second reading without prejudice to the right to make or proceed with motions for such second reading.

This is what we suggest should take place here in an equally important matter, in a matter equally important as was the proposal to split the territories into two, or perhaps more important because the livelihood, welfare and rights of more people are involved. We suggest this is the course of action the government should take, and that it should acquiesce in the request to refer the subject matter of the bill to the marine and fisheries committee, and keep the bill on the order paper so that we can come back to it.

I suggest this for the very simple reason that a course of that kind will allow the committee to examine this question in its broadest possible aspects because, when we are taking steps to declare a 12 mile limit, or any other mile fishing limit, we must take into account that various species of fish, notably salmon, do not know where that 12 mile limit is, and might occasionally swim outside it and get caught by fishermen of other nations.

This is of vital importance, particularly to the west coast. We should give the committee an opportunity to go extensively into the north Pacific fisheries commission operations and to make as extensive examination as possible into the detrimental effect that high seas fisheries in the mid-Pacific might have on the salmon stocks of B.C., because the salmon stocks are declining year after year, and because year after year fishermen from Japan are increasing their catch of salmon by leaps and bounds. Japan does not contribute materially, or what it does contribute is insignificant to the salmon stocks which intermingle in the mid-Pacific and north Pacific area.

The committee should be asked to inquire extensively into that to determine the degree, if any, by which the proposed 12 mile limit will be beneficial to the stocks here at home. I submit that it won't matter one whit but, if the committee is able to make an examination of that sort, it will be able to look at the possibilities and make recommendations about the content of the expected new treaty between the United States, Japan and Canada, and might be able to make some worthwhile recommendations to bring into effect the Liberal pledge of a few years ago to draw the Soviet union into the north Pacific fisheries treaty.

We should also examine into the fact that the Soviet union and Japan recently amended a treaty which they have between themselves regarding Japanese high seas fisheries on the Asian side of the Pacific, with one of the provisions being that two thirds of the catch that Japan makes of salmon on the high seas must come from the area bounded by the 175th west meridian, which is the line of demarcation in the Pacific over which Japan, up until now, has agreed not to fish.

What will happen as a result of this agreement between Russia and Japan is that the Japanese high seas fishing fleet will be moving closer and closer to the mid-Pacific fisheries and creating greater and greater pressures upon the stocks of salmon that intermingle in that area, and also upon the stocks of salmon from Alaska. The committee should inquire into the full implications of that, so that we can look at the fisheries question as it is, as a whole, and not at one little section, namely the extension of the fishing zones.

We also have the situation in northern B.C. where United States fishermen on the northern side of the Alaska boundary just sit and wait there for our sockeye and pink salmon to come home to spawn, and scoop up our home-coming salmon to suit themselves, without any of our fishery regulations having an effect on them. Partially as a result we find the fishermen on the Skeena river being confined to fishing for sockeye on the basis of about one day a week during the present season.

We want the committee to inquire extensively into that and see if it can make recommendations about treaties, or arrangements between the two countries so that our home-coming salmon, that do escape the high seas fisheries, are not caught by United States fishermen when they are nearing the spawning grounds.

Also in the north we have the extremely important question that some of the spawning rivers are in Canadian territory but their mouths are in Alaskan territory. One such river is the Stikine. This is a matter which should be a subject of discussion between the two nations, and it is a matter which the 12 mile limit cannot remedy.

On the Atlantic coast we have the ridiculous situation where some of our fishing vessels have to go outside 12 miles to fish, yet we allow foreign fishing vessels to come in and disturb whatever conservation measures we put into effect.

For these reasons we ask the government to accept the proposal that we refer the subject matter to the marine and fisheries committee, and leave the bill on the order paper so that it may be dealt with at any time. Let us give to the committee the broadest possible scope of inquiry so that it may come up with recommendations that would be helpful and beneficial to our fishermen and helpful to the preservation of the fisheries of this nation.

The Minister of Fisheries (Mr. Robichaud) and the Secretary of State for External Affairs (Mr. Martin) have indicated that the passage of this bill will strengthen their hands in the negotiations that are taking place with Norway, Denmark, Italy and the like. I cannot see how this is possible. All we would be doing would be to endorse the principles, or lack of them, contained in this bill and then give to a cabinet, which is weak and divided on this as it is on most other issues, endorsation to negotiate as it wishes.

In the conduct of negotiations, if I were a member of a union and the Secretary of State for External Affairs were my business agent —a highly unlikely situation if I had any part in it—I would not want him to negotiate on my behalf in the way he is seeking to negotiate on behalf of Canada and its fishermen, because what he is asking is for us to give him carte blanche to do as he wishes. What would be more strengthening to the Canadian government in its negotiations with the United States—and we should reopen the question of interfering with their historic rights—would be to place it in a position to go to the international talks with other nations and say, "We have got the bill. We want to do it. It is just sitting back home waiting for us to come back and report the results of our negotiations." The government would be able to use that as the strongest possible lever to obtain the greatest possible benefits from the establishment of a 12 mile fishing zone.

If the government persists in demanding that this bill be passed in its present form, and continues to support that demand by the spurious reasoning that it will strengthen its hand in these negotiations which, incidentally, look so far as though they have been carried

out with an extremely weak hand, we can come to no other conclusion than that it is the desire of the government to give the least possible protection to the fishermen of Canada, and the greatest possible protection to the privileges of others who fish in our waters.

Mr. H. A. Olson (Medicine Hat): In rising to speak briefly on this bill and on the amendment I do not claim to be an expert on matters relating to fisheries and fishing rights. Fortunately or unfortunately, as the case may be, all members of this house, no matter where their constituencies may be, have an equal voice when it comes to voting on measures before us. Therefore I do feel some obligation to try to understand what is contained in Bill S-17 and to express my views respecting it.

I find it very difficult to believe that we will be doing the fishermen and the fishing industry of Canada a service by killing this bill. I say this for the simple reason that while, it seems to me, all that is spelled out in Bill S-17 is not completely satisfactory, the measure must to some extent be a move in the right direction—the establishment of a 12 mile fishing zone. I think the government should be open and frank with members of this house before we endorse the principle of the bill. If the committee on marine and fisheries is to consider this measure, some specific answers will have to be given us with regard to the co-ordinates which will be setting up the base line, and we should be told in greater detail what is meant by respecting the traditional and treaty rights of fishermen from foreign countries, particularly the United States. If all the traditional rights and all the so-called treaty rights which United States fishermen claim can be exercised within the 12 mile zone and right up to the shores in Canadian waters, the establishment of a 12 mile zone would really be of no benefit to Canadian fishermen.

This is an important matter because, in effect, the bill before us amounts to an extension of the boundaries of Canada. Surely the government should give the house an assurance that it intends to make use of this measure to add some security to the rights of fishermen and the future of our fishing industry? As I said, I do not wish to speak at length on this subject. I am in a quandary. I am wondering whether we should support this motion that the bill be not now read a second time, but that it be referred to the committee on marine and fisheries and, to all intents and purposes, kill this bill and ask the government to bring in another, or whether it would be in the greater interest of Canada's important fishing industry to send the bill to the committee after second reading, where evidence could be heard as a result of which the measure might be amended. Perhaps we should get an assurance from the government now that hon. gentlemen opposite would be prepared to add to this bill some of the provisions which have specifically been requested.

Mr. Martin (Essex East): Might I just deal briefly with that point? The proposal is that we shall follow the course usually adopted—that we give the bill second reading and send it to a committee. The committee would then have the opportunity to examine the measure in the light of the evidence which would be produced by members of the government and officials. It would have an opportunity of improving the bill, if members thought it required improvement, in the light of the situation which would be revealed.

In other words, the course which the hon. member is suggesting is the course we would follow. The purpose of sending the bill to the committee is simply that the committee should study it and amend it, if that were thought desirable, in the light of the evidence submitted. What my hon. friend and I are faced with is the suggestion of the hon. member for Skeena (Mr. Howard) that we should just let the bill stand—that we should not pass it but simply have a general discussion on fishing rights, and so on, with no particular reference to it. Nothing would be more inimical to the negotiations in which we are now engaged.

Mr. Howard: That was not my proposal.

Mr. Martin (Essex East): The hon. gentleman referred to sending the subject matter for consideration. That would weaken the position of the government in the very important negotiations it is carrying on with a number of countries.

The course which the hon. member for Medicine Hat (Mr. Olson) is suggesting is exactly the one which the government has in mind. Send this bill to the committee and the members of the committee will have the opportunity to make changes in it. We would have to examine the changes proposed and, of course, I cannot say in advance that we would accept them. But there would be an opportunity of examining them in committee, as the hon. member has so constructively proposed.

Mr. Olson: I believe that what the Secretary of State for External Affairs has just said is a lot more than any member of the government has been prepared to say up to this point.

Mr. Howard: And that was nothing.

Mr. Olson: I am prepared to accept that this would be the proper course, provided the government can also give its assurance

that before the bill is brought back for final passage they are prepared to spell out the co-ordinates with respect to the base line. At the present time this important aspect is still left to the discretion of the governor in council, though this is a matter of great concern to the people concerned in the fishing industry.

I think, too, that the government should make one other commitment before we vote on this amendment. It should say whether it is prepared to accept some of the representations and suggestions which will be made in the committee respecting certain of these antiquated treaty rights. One of these treaties, I think it is the treaty of 1818 granting certain rights to United States fishermen, was actually brought into effect before Canada was even a nation. We know that some countries of the world have adopted wider limits to the territorial seas around their coasts. They have done so unilaterally, not taking into account all these antiquated so-called treaty rights. We know that Iceland and some other Scandinavian countries have taken unilateral action in this field, and in one case ships of the particular country involved took on the British navy in order to maintain its rights within the 12 mile zone.

I wish to be fair to both sides in this controversy. I think we can accept what the secretary of state has just said, namely that the government is prepared to accept some amendments before the bill is brought back to us. If that is the case I believe it would be better to refer this bill to the committee rather than to support the amendment that it be not now read a second time. However, I wish to say to the government that if there is to be no real benefit to the Canadian fishing industry or to Canadian fishermen by adopting this wider fishing zone, in other words, if most of the foreign fishing vessels which have been fishing these waters in the past are to be allowed to continue to do so, the bill would scarcely appear to be effective at all.

I agree partly with the hon. member from Newfoundland who spoke earlier, when he said that the only principle we are adopting at this stage of the bill is that of setting a 12 mile zone or territorial sea around Canada. If that is the only principle we are adopting at this stage, I think we can agree with it. But by saying that the hon. member is also saying that all the specifics in the bill are subject to amendment. We hope that is right, and if that is the case I believe that to refer the bill to the committee on marine and fisheries would be the better course of action to take.

[Mr. Olson.]

Mr. H. W. Herridge (Kootenay West): Mr. Speaker, I am going to speak quite briefly in support of the motion to refer to the standing committee because I am convinced that those who have proposed that motion are taking the right course in their efforts to protect Canadian interests, when they ask that the subject matter of this bill be referred to the appropriate committee before the bill receives second reading.

Owing to my attendance at another committee in which we were making arrangements to be very generous with the United States with respect to our water resources, I was not able to attend the sittings of the house and listen to the debate on this bill, but according to my reading of the debate in *Hansard* there is some suggestion that if the subject matter of this bill is referred to the committee before second reading it would kill the bill. I want to quote a few precedents in that respect, Mr. Speaker, because I think that argument is complete nonsense.

I would refer the house to *Hansard* for May 14, 1946, when the house leader of that day, the Hon. Ian Mackenzie, referred a bill on reinstatement in civil employment to a standing committee before reaching second reading stage, with the concurrence of the house and without having the effect of killing the bill. I am quoting from page 4567 of *Hansard* for November 8, 1963.

Mr. Robichaud: Was it referred to the committee by the government?

Mr. Herridge: It was referred to the committee by the minister of the day, yes. That was just about the time the Hon. Ian Mackenzie announced in the house that he was a socialist and he was promoted to the Senate about six months later. Then I would quote from *Hansard* for May 21, 1964, page 3447, under the heading "Business of the house":

> **Mr. MacNaught: Mr. Speaker, if I could have unanimous consent I would request that you call item No. 31, the second reading of Bill No. C-60, an act to amend the Combines Investigation Act (captive sales financing).**
>
> **The Acting Speaker (Mr. Batten): In order for this bill to be proceeded with now there will have to be unanimous consent. Does the house give unanimous consent to proceed with Bill No. C-60 at this time?**

I might say, Mr. Speaker, that it was the practice several times in the last session for bills to be referred to committee before receiving second reading. Last session a bill of my own was referred to the standing committee on veterans affairs for consideration before it received second reading. This is becoming the general practice, and I think for the minister to claim that this would kill the

bill is completely out of line with what has been the practice of this house for some time, and increasingly so.

I want to bring to the attention of the minister the fact that we endorse the principle of the bill if it passes second reading. While in theory we are endorsing the 12 mile limit, in practice I think my friends who are concerned about this question realize that what we are endorsing is in reality a three mile limit, and then provide some opportunities for U.S. fishermen to fish within that limit. I do want to bring to the minister's attention, as an old socialist and democrat, that the fishing companies in British Columbia—and, I presume, on the Atlantic coast to a similar extent—are either United States controlled or have very close connections with United States corporations and companies. As against that, the members of the unions involved are Canadian citizens who are trying to stand up for Canada's national rights. I think their representations with respect to the reference of this bill to the committee before second reading should receive greater consideration than the share capital invested in so-called Canadian companies by United States interests.

While this treaty points to fishing rights not to be allowed within the three mile limit, as I understand it, owing to the practice of using base lines from cape to cape in reality this treaty will permit fishing within the three mile limit at certain geographical points near the capes in question, and so on.

I want to deal briefly with the reference made by the Minister of Fisheries (Mr. Robichaud) to treaties. The Secretary of State for External Affairs speaks almost with awed breath when he deals with treaties of ancient history, and so on. I find on page 3660 of *Hansard* that the Minister of Fisheries had this to say:

> On the Atlantic coast the United States has treaty rights in addition to claims of historic fishing, and for this reason alone is entitled to special consideration in any arrangements on fishing within areas that will become either internal waters or the contiguous fishing zone.

What is the history of the United States with regard to respecting treaties that have been signed on behalf of Canada? The government of the United States have not hesitated to violate any treaty whenever it was in their interest, and I can give the house proof of that right now. I became interested in this question when I was first elected to this house and began to study the Oregon treaty of 1846, which I was particularly interested in owing to the building of the Bonneville and Boulder dams on the Columbia river and the consequent impediment to navigation from the upper Columbia to the sea, and the destruction of the heavy salmon run which came up into Canada when I was a boy. What happened on that occasion? We all know that the treaty was signed by the government of Great Britain and the government of the United States in 1846 and there were serious differences at that time as to the 49th parallel. It was decided finally, by mutual arrangement, that the government of Great Britain would secede all the land west of the Columbia south of the 49th parallel to the sea in return for the United States guaranteeing uninterrupted navigation to British subjects from the headwaters of the Columbia to the sea. I will deal with that point, Mr. Speaker, and refer to article II of the Oregon treaty which was signed on June 15, 1846, which reads in part as follows:

> In navigating the said river or rivers—

That is the Columbia river:

> —British subjects, with their goods and produce, shall be treated on the same footing as citizens of the United States; it being, however, always understood, that nothing in this article shall be construed as preventing, or intended to prevent, the government of the United States from making any regulations respecting the navigation of the said river or rivers, not inconsistent with the present treaty.

And then it goes on:

> "From the point at which the 49th parallel of north latitude shall be found to intersect the great northern branch of the Columbia river, the navigation of the said branch shall be free and open to the Hudson's Bay Company, and to all British subjects trading with the same, to the point where the said branch meets the main stream of the Columbia, and thence down the said main stream to the ocean, with free access into and through the said river or rivers; it being understood, that all the usual portages along the line thus described, shall in like manner be free and open."

That means that here is a solemn treaty in which the United States guarantees free access to the sea to British subjects in perpetuity.

Mr. Martin (Essex East): We will discuss all these matters in the committee.

Mr. Herridge: I am not on the committee so I intend to have my say now.

Mr. Martin (Essex East): I do not want to stop my hon. friend; I am just saying that these matters which the hon. member is raising now, and raising quite rightly of course, are matters which we will be examining in committee.

Mr. Herridge: I do want to alert the minister to the dangers in the future. This illustrates what can happen with respect to a treaty. The government of the United States constructed the Grand Coulee and the Boulder dams without consulting or writing a line to

the Canadian government or any representative of it. When the present Prime Minister (Mr. Pearson) was the under secretary of state for external affairs, as the result of a motion for production of papers he had the records searched, and it was found that the government of the United States never consulted in any way with the government of Canada before violating this treaty by the building of the Grand Coulee and Boulder dams. So that the free navigation to the sea has been lost to British subjects who are Canadian citizens, and the salmon run which came up into the Arrow lakes when I was a boy has disappeared forever.

I just mention this to illustrate that we must not be too thin-skinned in this matter. The United States violated a very important treaty and took away certain Canadians rights without any reference to the government of Canada. Not a line was ever written. The government of that day either shut its eyes or was not aware of what was going on on the Columbia south of British Columbia below the 49th parallel.

On this account I urge that the minister give serious consideration to these past actions of the United States government, and that he be not so thin-skinned about historic rights and treaty rights which American citizens are supposed to have on the Atlantic and Pacific coasts, in some cases of ancient origin. I suggest that it is about time we stood up for Canada and do exactly to them what they did to us on the Columbia river. That is all I have to say this afternoon.

Mr. A. D. Hales (Wellington South): Mr. Speaker, there are just one or two points I want to make on this bill. First of all I should like to say that I am no fisherman, nor do I come from the east or west coast, but there are things in this bill which I hope the committee will watch very closely.

I think that one of the predominant faults of this bill is that it is giving too much discretionary power to the minister and the government. I well remember in 1962 when hon. members opposite took four or five days telling those of us who were on the government side that we were giving too much power to the minister of national revenue in connection with a bill dealing with class or kind. We were told that the bill was wrong in principle. Now we have a bill before us giving altogether too much power to the minister and the government.

As I understand it, the minister can move these geographical co-ordinates at his own discretion at any time and at any point. We will find fishermen fishing inside the line drawn between two co-ordinating points in an area in which they should not be fishing, and they will not know any different because an order in council had been passed. Perhaps this is one of the reasons the government has not been able to get the consent of other countries in the negotiations they have been carrying on. Why should this government present to the house a piece of legislation and ask the house to pass it before these negotiations have been concluded? I have never heard of anything so ridiculous or so silly since I came to this house. These negotiations should have been concluded before the legislation was introduced.

This is just another example of poor legislation which has been introduced to this house before enough homework has been done on it. We have had experience of this with the redistribution bill, the pensions bill, the flag and the 11 per cent building tax. We also had the suggestion for two ministers of agriculture put before us. All of these proposals have either been withdrawn or revised. Now the house is being presented with another such piece of legislation, and I am certainly glad it is going to the committee where it can be examined most carefully.

The government say that air lines should not worry about this legislation. International air lines cannot fly over territorial waters. We might find the minister or the government using these geographical co-ordinates as a bargaining weapon, a means by which they will make bargains with international air lines. Altogether too much power is being placed in the hands of one minister. The Conservatives have always believed in a 12 mile fishing limit, but we want to approach the matter in a right and proper way. The Conservative way is to negotiate first and then bring in legislation. But no; this government wants to put the cart before the horse and bring in legislation for approval before negotiations are complete. As I say, I am glad the matter is being put before the committee so that it can have a really close examination. A principle is involved here, namely the granting of too much power, and I suggest should not pass this house.

Some hon. Members: Question.

The Acting Speaker (Mr. Batten): 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, private bills, public bills.

MOTIONS FOR PAPERS

MODELS FOR CANADIAN FLAG

Mr. C. S. Smallwood (Battle River-Camrose) moved:

That an order of the house do issue for the production of all flag designs or models which have been received by the Prime Minister, members of the cabinet or the government, as models for a Canadian flag.

He said: Mr. Speaker, in leading off the debate on this motion may I say I will be as brief as I can because I am sure many other members of the house would like to say a few words. I also hope that some of the government backbenchers will support me in this motion.

I introduce this motion because it deals with an important matter, the changing of our Canadian flag. I think all members of the House of Commons and the Canadian people should play a part in the choosing of a new flag before any action is taken. I was very disturbed at the way in which the government has taken action to bring in a new flag. I was always of the opinion that we lived in a democracy; but it appears to me to be pure dictatorship when one man, be he the Prime Minister (Mr. Pearson) or the member for Leeds (Mr. Matheson), chooses one flag from over 3,000 designs and then, by refusing to let government members have a free vote on the issue, places a gun at the head of the opposition and says: "Either you accept this flag or we will have an election through a vote of non-confidence".

The new design that the Prime Minister has chosen for a distinctive Canadian flag has three maple leaves with big, knotted stems which are not very natural. I should like to remind him that in western Canada we have no true Canadian maple trees. In fact, they do not grow west of Manitoba. I saw my first true maple trees when I came to Ottawa.

As I have looked at the other side of the house in the last couple of weeks I have noticed the absence of the Minister of Forestry (Mr. Sauvé). I understand he is in western Canada. He is probably planting some original maple seeds there, but I hope they will grow to be tall, tall trees before the design presented to parliament is accepted by the people.

Another point I should like to bring to the attention of the house is that the Prime Minister in presenting this resolution—

The Acting Speaker (Mr. Batten): Order. I regret that I must interrupt the hon. member but I must advise him of the narrow limits of this particular type of debate. The motion before the house involves the question of whether or not the designs mentioned in the motion should or should not be produced. I do not think this provides an opportunity for debate wider than that outlined in the motion itself.

I would refer the hon. member to a ruling made by Mr. Speaker Michener on February 8, 1962, as recorded on page 682 of *Hansard* of that year, in which he said:

Before the hon. member proceeds further with that line of argument I think I should say to him that my view of the scope of the motion is that it is limited to the desirability of the production of the documents. The motion is one calling on the government to produce the documents referred to in the motion. The question in issue is whether or not they should be produced.

Again, on November 8, 1962, as found on page 1427 of *Hansard* for that year, Mr. Speaker Lambert said:

I should like to draw attention to the very narrow limits of the debate at this point. The matter under debate is merely whether the document should or should not be produced.

In view of these rulings by previous Speakers, I am sure the hon. member for Battle River-Camrose will not mind my drawing to his attention the narrow limits of the debate before us.

Mr. Smallwood: Thank you, Mr. Speaker. I was just building up a case and I am coming to my point now. It would be very foolish of me simply to get up and say: Will you lay these flags on the table? I am just building up a case and I am coming to the tabling of the flags. I hope you will bear with me for another few minutes. I had referred to the two flags and I will now carry on. For this reason I put this motion on the order paper asking for the tabling of the designs. I understand there are some 3,000. Possibly it would be difficult to make copies of all of them and table them, but I would suggest that the originals be tabled. Instead of one individual picking a flag I suggest that after these flags have been tabled the Prime Minister and a select group of three or four from his party together with the Leader of the Opposition (Mr. Diefenbaker) and a select group of three or four from his party, plus the odd one from the smaller groups, get together as a committee and examine these 3,000 designs with a view to cutting the number down to six designs out of the 3,000 tabled. The six designs might include the red ensign, a flag embodying certain alterations to the red ensign, a flag with a beaver on it and a flag with a maple leaf on it.

This committee having reduced the number to six designs, I would suggest that we then call a conference with the premiers of the provinces, because in this way the people of Canada would have an opportunity to speak through these men and on the basis of their knowledge. The people of Canada would then have a chance to have some say in the picking of their flag.

I think I have brought my remarks close to the rules. I hope the Prime Minister will withdraw his resolution as he has withdrawn

so many in the past and give consideration to the setting up of such a committee to examine all these flags after they are tabled and then, through co-operation with the premiers of the provinces, give the people of Canada a voice in the selection of a new flag.

[*Translation*]

Mr. L. J. Pigeon (Joliette-L'Assomption-Montcalm): Mr. Speaker, I can see the hon. member for Lotbinière (Mr. Choquette) is annoyed that his colleagues did not rise to speak on this matter. I notice that the hon. member for Lotbinière also seems to want to have his say about that and I am anxious to see how he will vote, considering that he has pronounced himself against the Queen. In view of the fact that the bill refers to two flags, a distinctive flag and the union jack to represent the Queen, we shall see how he will vote and we shall know then if he adheres to his principles—

[*Text*]

Mr. Macaluso: On a point of order, Mr. Speaker, in accordance with your ruling I suggest that the hon. member's submissions up to now are completely out of order and that his remarks should relate strictly to the motion before us. If he wishes to cast aspersions on the hon. member for Lotbinière he can do so at some other time, but I think we should confine ourselves to the particular question before us because there are many of us who wish to speak on it in our turn.

The Acting Speaker (Mr. Batten): Order. I think the hon. member's point is well taken and I am sure the hon. member for Joliette-L'Assomption-Montcalm is well aware of the limits placed upon the house in a debate of this kind. I am sure he will stay within the limits of the question before us, which is whether or not these flag designs should or should not be tabled.

[*Translation*]

Mr. Pigeon: Mr. Speaker, you have given some latitude to my colleague, the hon. member who spoke before me, and I feel that, since this motion concerns the production of the flag designs received by the Prime Minister, the members of the cabinet, that is, the government, well, I feel I should be allowed—that is my own opinion—to deal with the flag in general terms and we would be anxious—

Some hon. Members: Order.

[*Text*]

The Acting Speaker (Mr. Batten): Order. I am sorry, but I cannot agree with the hon. member that he is permitted at this time to make general remarks on the flag. The only question before the house at the moment is whether or not these designs should be tabled, and I am going to ask the hon. member and other members of the house to stay within those limits.

Mr. Nasserden: On the point of order, Mr. Speaker, surely if an hon. member is going to develop an argument why the designs should be tabled he has to put forward reasons why this should be done. I believe that it what members on this side of the house are trying to do.

The Acting Speaker (Mr. Batten): The Chair is quite willing to accept any reasons which any members may put forward for tabling the designs, but in my view there is a distinct difference between a member supporting his argument and a general debate on the flag as entered upon by the hon. member for Joliette-L'Assomption-Montcalm. I think the best authority in this house is found in rulings which have been made by the house itself, and on a number of occasions previous Speakers have made rulings regarding this type of debate. I think every member will agree that the limits are very narrow, and the Chair will expect every member to remain within those limits.

[*Translation*]

Mr. Pigeon: Mr. Speaker, I have spoken about the proposed flag because the Prime Minister or cabinet members have surely received a very great number of flag designs. They have received so many, that they have chosen two of them in the same resolution or bill. Our country will be the only one in the world, Mr. Speaker, to introduce a bill concerning two flags. It is absolutely stupid—

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

[*Text*]

The Acting Speaker (Mr. Batten): Order; will hon. gentlemen please be seated? I have given the house examples of the rulings made by previous Speakers on such occasions as this. I have others here to support the ruling which I am now making. I am sure the house will not mind my saying that I am going to see that this is done. I would expect hon. members to remain within the limits of the motion now before the house. The hon. member for Joliette-L'Assomption-Montcalm.

[*Translation*]

Mr. Pigeon: Mr. Speaker, personally, I am in favour of—

Mr. Auguste Choquette (Lotbinière): Mr. Speaker, I rise on a question of privilege. According to the standing orders, whenever an inaccuracy is uttered—

Mr. Pigeon: This is not a point of order.

Mr. Choquette: —a member of the house must make it a point of duty to rise immediately so as to correct the situation. The hon. member for Joliette-L'Assomption-Montcalm said that two flags are proposed. Such a statement is false and inaccurate. The hon. member has no right to make such a statement—

[*Text*]

The Acting Speaker (Mr. Batten): Order; the hon. member for Lotbinière does not have a point of privilege at this time. If he disagrees with anything that is being said by the hon. member for Joliette-L'Assomption-Montcalm, he can refute that argument when his opportunity to speak in this debate comes.

[*Translation*]

Mr. Pigeon: Mr. Speaker, you have allowed the hon. member for Lotbinière to deal with a matter which you had earlier declared out of order. Consequently, do not be surprised if I adopt the same attitude as the hon. member for Lotbinière.

As far as I am concerned, I am in favour of one distinctive flag, whether it has 25 or three maple leaves, even though I would prefer only one. However, I am opposed to having another flag which I do not want to see.

[*Text*]

The Acting Speaker (Mr. Batten): Order; I am afraid the hon. member is going outside the bounds of this resolution. I must point out to him again that the resolution before the house is whether or not the design should be tabled. I ask him again if he will remain within those limits.

[*Translation*]

Mr. Pigeon: Mr. Speaker, I believe I am entitled under the Canadian Bill of Rights to be opposed to the government acting stupidly and thrusting two flags upon the Canadian people. I am in favour of one distinctive flag, whether it has one or three maple leaves.

[*Text*]

The Acting Speaker (Mr. Batten): Order; on a number of occasions the Chair has requested the hon. member for Joliette-L'Assomption-Montcalm to remain within the limits of the resolution or motion. I am going to have to ask the hon. member to do that.

[*Translation*]

Mr. Pigeon: Mr. Speaker, I am always willing to co-operate, but when I hear remarks from government members who fail to take their responsibilities and to make known their views according to their conscience, who refuse also to oppose the adoption of two flags instead of one, well, Mr. Speaker, do not be surprised—

[*Text*]

The Acting Speaker (Mr. Batten): Order. On a number of occasions I have asked the hon. member for Joliette-L'Assomption-Montcalm to remain within the limits of this debate, which is whether or not the design should be tabled. I fear that the Chair will not be able to continue to interrupt the hon. member and ask him to observe the instructions which the hon. member is now being given. I should like to read standing order 34, subsection (2):

> Mr. Speaker or the chairman, after having called the attention of the house, or of the committee, to the conduct of a member who persists in irrelevance, or repetition, may direct him to discontinue his speech, and if then the member still continues to speak, Mr. Speaker shall name him, or, if in committee, the chairman shall report him to the house.

This would be a very unpleasant duty for the Chair. I hope the hon. member for Joliette-L'Assomption-Montcalm will be able to continue his remarks on this motion and remain within the limits the house normally expects.

[*Translation*]

Mr. Pigeon: Mr. Speaker, when a matter of principle is involved, I think that the members, whoever they may be, should be in a position to voice their opinion and I am quite surprised that following the appointment of a new leader of the Quebec Liberals, the hon. Minister of Justice (Mr. Favreau) has not protested against such a stupidity, namely the selection of the union jack as our flag.

Hon. Guy Favreau (Minister of Justice): Mr. Speaker, I rise on a point of order. I am ready to take for granted that the hon. member for Joliette-L'Assomption-Montcalm is not wilfully trying to stray from the limits of the motion. However, for the information of the house and of the member for Joliette-L'Assomption-Montcalm, it is important to draw his attention to the fact that there is no relation between this resolution and the one put on the order paper by the government in connection with the flag.

There is no relation, there is even no similarity between the motion now under discussion, which in itself raises only one question—

Mr. Pigeon: That is not a question of privilege.

Mr. Favreau: —namely, whether it is possible or permissible to have produced in this house the flag designs that have been submitted up to now to the Prime Minister or to members of the cabinet.

I am convinced that the hon. member for Joliette-L'Assomption-Montcalm will realize that it is not a question of knowing how many flags are involved, but merely of ascertaining the possibility or legality of producing designs received from outside the house, and nothing else.

The principle of the flag to be selected is not involved here.

Mr. Pigeon: Why impose the union jack? Why impose two flags?

Mr. Speaker, I want to co-operate, but when I hear remarks from government members, who are anxious to silence me, and I know you will stick up for—

[*Text*]

Mr. Macaluso: I rise on a point of order, Mr. Speaker. The hon. member has stated that the members on this side are trying to impose closure on him. It is the Speaker's ruling that he is contravening, and I want to place that on the record. It should be brought home to the hon. member.

[*Translation*]

Mr. Pigeon: The hon. member rose on a point of order but he was not justified in doing so.

I should be glad if the Minister of Justice and the hon. member for Lotbinière as well as others would tell us what they think about the resolution calling for two flags.

[*Text*]

The Acting Speaker (Mr. Batten): Order; the Chair has given a great deal of latitude to the hon. member for Joliette-L'Assomption-Montcalm and has encouraged him on a number of occasions to remain within the limits of this debate. I do not believe the house would consider the Chair has not given the hon. member sufficient opportunities. May I ask him once again, if he wishes to speak on this motion, to confine his remarks to the narrow limits which ordinarily the house recognizes as governing debate on this type of motion?

[*Translation*]

Mr. Pigeon: Mr. Speaker, I am willing to discuss the motion within the limits of the debate, but, as I have pointed out, I have no alternative but to refute the remarks from the government members.

I know that the Speaker must be impartial, but he must also take up the cudgels for the opposition, which constitutes the weaker party. The government has a greater number of members than the official opposition has. So, it is normal that the Speaker, while being fair and just—

Mr. Habel: We certainly do not have any lesson to take from the hon. member for Joliette-L'Assomption-Montcalm.

[*Text*]

The Acting Speaker (Mr. Batten): I cannot accept the statement which the hon. member is now making. It is the duty of the Chair to be impartial, and impartial does not mean favouring the smaller or larger groups. Will the hon. gentleman, if he wants to speak on this motion, please proceed with his remarks and confine himself to the motion before the house, which is No. 122.

Mr. Choquette: He wants the publicity.

[*Translation*]

He is a paranoiac.

Mr. Pigeon: Mr. Speaker, the hon. members for Lotbinière and Cochrane (Mr. Choquette and Mr. Habel) spend their time making comments and I ask that the same strict limitations applied to me be applied to members of the government. In fact, having a greater number of members, the government would like to impose closure, to prevent us from discussing the matter.

Mr. Speaker, I have the right to speak in this house according to my conscience, and the Prime Minister as well as his cabinet members have received a great many flag designs. They received projects of all sorts but I wonder why two flags—including the union jack which I do not accept—have been included in the same resolution.

Moreover, I should like to know what the Minister of Justice, the Quebec Liberal leader intends to do when this resolution is introduced in the house, and what he said to the members of the cabinet. I feel the adoption of two flags, including the union jack, is an act of cowardice.

Mr. Habel: You are completely out of your mind.

Mr. Pigeon: Mr. Speaker, I have the right to speak according to my conscience—

[*Text*]

The Acting Speaker (Mr. Batten): Order please.

[*Translation*]

Mr. Pigeon: Mr. Speaker, I ask the co-operation of—

[*Text*]

The Acting Speaker (Mr. Batten): The hon. gentleman is again moving outside the limits of this debate.

[*Translation*]

Mr. Favreau: Mr. Speaker, since my name was mentioned a short while ago, I wish to say one thing only—

Mr. Pigeon: Mr. Speaker, I wonder if the Minister of Justice is rising on a question of privilege or raising a point of order. He must do one thing or the other, but he certainly cannot take it upon himself to rise at any time without reason.

Mr. Favreau: Mr. Speaker, I rise on a question of privilege. The hon. member for Joliette-L'Assomption-Montcalm mentioned my name a little earlier and I must say that, as Minister of Justice, I would set a very poor example to the house if I were to discuss a motion which has not been presented to the house.

Mr. Pigeon: Mr. Speaker, the Minister of Justice could take the opportunity offered him by this motion for papers to tell us if he supports a motion to adopt two flags, including the union jack, and if that reflects the feelings of Quebec and Canada as a whole.

[*Text*]

The Acting Speaker (Mr. Batten): Is the house ready for the question?

[*Translation*]

Mr. Pigeon: Mr. Speaker, we are not ready for the question—

[*Text*]

The Acting Speaker (Mr. Batten): The hon. member for Spadina.

[*Translation*]

Mr. Pigeon: Mr. Speaker, I ask your permission—

Some hon. Members: Hear, hear.

Mr. Pigeon: Mr. Speaker, I rise on a question of privilege. I am not through with my remarks and I should like to continue to deal with this notice of motion. I ask for your support, because I would not want closure to be imposed on us by the government on this matter. I am entitled to express my views.

If the hon. member wishes to speak after me, that is all right, because he has a right to do so, provided, of course, you give him the floor.

[*Text*]

The Acting Speaker (Mr. Batten): The hon. member does have the right to speak on this motion, but in doing so I would expect him to observe the rules that normally apply to this particular type of motion. I understood the hon. member for Joliette-L'Assomption-Montcalm (Mr. Pigeon) had completed his remarks. If he has not completed them will he continue now, but within the limits of this particular type of debate.

[*Translation*]

Mr. Pigeon: Mr. Speaker, at the outset of the debate, you gave some leeway to the hon. member who spoke before me. He dealt with flag designs and you allowed him to finish his remarks. It is most difficult to discuss this motion within strict limits—

An hon. Member: If you have nothing to say, sit down.

Mr. Pigeon: Mr. Speaker, I request your support and protection. I can still hear members on the government side making remarks, and I would ask you to help me finish my speech on the motion under consideration.

[*Text*]

The Acting Speaker (Mr. Batten): May I ask hon. members on both sides to refrain from making any remarks until the hon. member for Joliette-L'Assomption-Montcalm has completed his remarks.

Mr. Nielsen: On a question of privilege, there have been no remarks coming from this side except those from the hon. member for Joliette-L'Assomption-Montcalm (Mr. Pigeon). They have all been coming from the other side.

The Acting Speaker (Mr. Batten): The hon. member for Joliette-L'Assomption-Montcalm.

[*Translation*]

Mr. Pigeon: Mr. Speaker, I hope the discussion will be more orderly and that members on the government side will co-operate with you, so that I may speak according to my conscience and express my opinion on this motion.

I know that, in that motion, the hon. member is asking for the production of the many flag designs which have come in, and I trust that all the members of the cabinet, including the Prime Minister, received a great number of them. The Minister of Justice himself certainly received some from every part of the country, including his own province; I would be very happy to know how many were sent to him. It would even be interesting to see, Mr. Speaker, at the same time the letters accompanying the designs received by the cabinet members, in order to know the views of the Canadian people in this matter.

We all want a single distinctive national flag, and not one which would include the union jack—I hope that I do not exceed the limits authorized by the motion before us. Therefore, it would be interesting to have all the designs tabled in the house, so that we might know the proportion of flags containing foreign symbols, such as, for instance—

Mr. Grégoire: Would the hon. member allow a question?

Mr. Pigeon: No, Mr. Speaker. If the hon. member for Lapointe wants to speak after me, he will have every opportunity to do so.

Mr. Grégoire: It is a question concerning the United Nations flag—

Mr. Pigeon: No, Mr. Speaker, I shall not allow the question of the hon. member for Lapointe.

[*Text*]

The Acting Speaker (Mr. Batten): Order. The hon. member for Joliette-L'Assomption-Montcalm is not accepting any questions at this time.

[*Translation*]

Mr. Pigeon: Mr. Speaker, what I want is to obtain replies from the members on the government side. Now, the hon. member for Lapointe does not mean much in this house, particularly in his party, since it will completely disappear in the next election.

Some hon. Members: Order.

Mr. Pigeon: Mr. Speaker, we would be happy—

Mr. Grégoire: Mr. Speaker, I rise on a question of privilege. I think that in the end—

Mr. Pigeon: There is no question of privilege.

Mr. Grégoire: I think I will agree with the hon. member for Joliette-L'Assomption-Montcalm that there is no question of privilege since from silly people we hear nothing but silly talk.

Mr. Pigeon: Mr. Speaker, I do not care to reply to the remark just made by the hon. member for Lapointe, since "what his breast forges, that his tongue must vent".

[*Text*]

The Acting Speaker (Mr. Batten): Order. I must advise the hon. member that the time allotted to him has expired and the Chair has made allowance for the interruptions which he has had. The hon. member for Spadina.

Mr. Pigeon: I ask unanimous consent to continue.

The Acting Speaker (Mr. Batten): The hon. member ask the unanimous consent of the house to continue his remarks.

Some hon. Members: No.

Mr. Pigeon: Closure. Same old gang.

Mr. Ryan: I bow to the Minister of Justice (Mr. Favreau).

[*Translation*]

Mr. Favreau: Mr. Speaker, I believe it is appropriate, as far as I am concerned, that I should read the motion which is before us presently in order to be quite sure not to overstep the limits suggested to the house by the mover.

It reads as follows:

[*Text*]

That an order of the house do issue for the production of all flag designs or models which have been received by the Prime Minister, members of the cabinet or the government, as models for a Canadian flag.

[*Translation*]

Now, the motion is for the production of what? Of all flag designs or models received by the Prime Minister, or the members of the government, as models for a Canadian flag. The first principle to be ascertained when we have a motion for the production of papers is whether or not such papers can be produced, in accordance with the rules of the house.

Now, I should quote from May's sixteenth edition, page 273, the following excerpt:

[*Text*]

While the house has the power of ordering documents to be laid before it the papers sought should be of a public official character and not private or confidential.

[*Translation*]

The house is facing a very strange problem considering, first of all, the nature of the motion. The first thing to know is whether what is asked is the production of papers. If so, whether such papers are of a public, private or confidential nature.

In the first place, I asked for a report on the very nature of the designs submitted, and here is the answer given in this connection:

[*Text*]

The 3,000 odd designs in the department of the Secretary of State are on various kinds of material including letter-paper, silk or cloth, heavy wrapping paper, canvas, hardboard, and plywood. In some cases actual flags were made up from bunting, nylon and other flag material. The designs range in size from a two inch by four inch pencil drawing to a five foot by three foot production in colour on hardboard.

[*Translation*]

It seems clear enough to me, Mr. Speaker, that many of these designs and models are not documents, but articles, as for instance a chair would be, and I suggest that the house has certainly no jurisdiction to order the production of articles which represent movables. I merely say that there is a serious question of whether or not those articles are papers, but this is neither the most important

part nor the most serious and definite argument against the motion.

The most important thing is first of all that the models and designs were, by nature, submitted in a confidential way, in the interest of ministers, for purpose of discusison in the cabinet, or for information and as suggestions to the Prime Minister himself.

But when I say that those documents are of a confidential nature, I contend that this appears in the act itself. Under not only the Copyright Act but also the international conventions governing this matter, it is clear that as soon as any design, model or work of art was not only conceived but transferred into a concrete shape, either as a design or an article, the person who conceived, draughted or created such a model has a copyright that nobody else can infringe.

In other words it is clear that if I, in the first place, were to create a work of art or make a design and if I submitted it as a suggestion, as long as I do not waive my copyright, as long as I do not grant permission to issue that design, I keep my copyright. It is not to be published. I am the only one entitled to decide whether or not the said design will be published or issued.

Therefore, if at least only the spirit of the law is applied to the things or the papers which the motion asks to be tabled, I say that those things which, because of their very nature, were submitted in a confidential way, as I said, only for the information of the minister or of the Prime Minister, because it is contrary to the law or to the nature of those things to publish or to reproduce them.

Second, if May's comment is applied to the principle I referred to a while ago, it is clear that such things cannot be the subject of a motion for papers, because the said papers would be confidential documents submitted for the information of the minister or the Prime Minister and not for publication or reproduction.

And that goes still further. Under the Crown Liability Act which, if I remember correctly, was passed by the federal parliament in 1952, the crown is henceforth subject to civic liability, the same liability for damages, as individuals. Now, if we decided or took the responsibility to publish or to reproduce the models or the designs for which each designer has a copyright, I say that we would infringe upon the copyright of each one of those who made the models or the designs and thus we would incur civic liability for the crown and we would be transgressing law.

Indeed the first right of an author is precisely that his work be not reproduced or published without his consent, and the first transgression of that right is precisely the publication or the reproduction of the work without the consent of the author. I submit that it is surely not the purpose of the standing orders of this house or of any motion for papers to compel the crown or the government to incur a civic liability because of the breach of a statute.

That is another reason why I think we are not entitled to have printed and distributed hundreds of copies of the designs and projects which were submitted.

Moreover, what would be the use, for the purposes of the house as such—I would not say revelation—but of this reproduction? Would it be worthwhile to compel the government to break the law?

The government should take a decision as far as the design is concerned, from the designs submitted, and should choose one and recommend it to the house for adoption. Besides, the government is absolutely free to recommend some other design that has never been submitted.

Further, I would say that the motion under consideration at this time would not increase in any way the interest the house might have had in another motion that has already been tabled and which I shall not discuss, because it is not under consideration at present.

There is more; I must refer once again to the Copyright Act because it is essential, there is this: a model or design always remains the property of its author under the Copyright Act, unless the author himself agreed to the transfer of this property or of his copyright, or gave up his copyright in the work or design or in the model. Legally, the only consequence is that one and each of those designs and models remains the private property of the person who supplied it.

If we take for granted that it would still be documents, not only because the document is confidential, since it was submitted to the minister or the Prime Minister on a confidential basis, but it goes farther than that, we are simply and solely faced with articles which are the private property of those who submitted them for suggestion purposes. Now, it seems clear to me that the purpose of a motion for papers cannot be to obtain the production of what is the private property of a person. What can be obtained is the production of papers which are public documents.

I feel that if the confidence motion was to be eliminated, if desired, by saying: Well, if a flag has been submitted to a minister, it is because the minister is allowed to use it, nevertheless, the design or model remains

the private property of the person who supplied it, unless a transfer was clearly granted.

Once again, therefore, a motion for papers cannot be used to tell the government: well, those items, those things that were handed to the minister or the Prime Minister, we insist now, even if they do not belong to the minister or the Prime Minister or if they do not belong to the government, we insist now that they be shown to the house.

I think those are extremely serious reasons taken exclusively, but of necessity, from a federal statute enacted by this parliament and which this parliament ought to be the first to respect.

[*Text*]

Mr. Thomas M. Bell (Saint John-Albert): Mr. Speaker, may I just ask the minister if he will explain why this situation is different from that in 1946? The models and the suggestions put forward under the very same circumstances were made public by Mr. Harris' committee in 1946.

[*Translation*]

Mr. Favreau: I am speaking in 1964, Mr. Speaker, under my own responsibility. The question you have to settle now—

[*Text*]

Mr. Bell: Oh, it is different.

Mr. Favreau: I am advised, Mr. Speaker, that with regard to this matter there was a committee of the House of Commons and the Senate. I am not aware personally of the way in which the designs or models were produced, but at all events here we are dealing with a motion for the production of papers and we must comply with the rules which have been laid down with regard to such a motion.

If we accept the principle that copyright is vested in each of the authors of these designs or models, a similar matter was decided in the British House of Commons in 1884. On July 1, 1884, the British House of Commons passed the following resolution—

Some hon. Members: Oh, oh.

Mr. Churchill: Why go back that far? We were dealing with 1946.

Mr. Favreau: I am referring here to a principle which has been laid down by the mother of parliaments in a similar matter.

Mr. Kindt: It's like oxtail soup: it's a long way back.

Mr. Favreau: In the matter of legal or constitutional precedent it is never too far back, because age makes a thing sacred. Mr. Speaker, I will read the resolution which was passed by the British House of Commons:

[Mr. Favreau.]

Resolved, that an humble address be presented to Her Majesty, that she will be graciously pleased to give directions, that there be laid before this house a copy of Dr. Crichton Browne's treatise on "Education and the Nervous System"—

It seems that this motion had a similar reaction on the opposition.

—together with a copy of his letter to the vice president of the council.

On July 3, the following entry appears in the *Journals* of the House of Commons for that year, at page 336:

Notice having been taken that the order of the house of Tuesday last, for an address for "a copy of Dr. Crichton Browne's treatise on 'Education and the Nervous System', together with a copy of his letter to the vice president of the council", related to a private matter, over which the house had no jurisdiction, and involved a question of copyright—

—it was ordered that the said order be discharged. In other words, Mr. Speaker, the British House of Commons discharged its own order when it was shown that as far as the object of the order was concerned copyright was vested in a private individual. The British House of Commons decided that this was a private matter and that its own order ought to be discharged.

Mr. Deputy Speaker: Order. I regret to interrupt the minister, but his time has expired.

Mr. Erik Nielsen (Yukon): Mr. Speaker, in the few seconds left at my disposal I want to congratulate the minister upon the admirable attempt he made to spit through the eye of a needle. As a matter of fact, he was speaking here for 20 minutes on copyrights and the like, and all about the secrecy attached to documents that were submitted. The first point I would like to make to him is that copyrights are not secret.

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.

And being returned:

Mr. Speaker informed the house that the Deputy Governor General had been pleased to give, in Her Majesty's name, the royal assent to the following bill:

An act for granting to Her Majesty certain sums of money for the public service for the financial year ending the 31st March, 1965.

BUSINESS OF THE HOUSE

Mr. Speaker: It is my duty, pursuant to provisional standing order 39A, to inform the house that the questions to be raised at ten o'clock p.m. this day are as follows:

The hon. member for Essex West (Mr. Gray), the number of unemployment insurance claimants; the hon. member for Parry Sound-Muskoka (Mr. Aiken), consideration of estimates providing for emergency assistance with respect to the low water situation on the great lakes; the hon. member for Winnipeg North (Mr. Orlikow), the detention of Mr. Harry Hooper for an undue length of time.

At six o'clock the house took recess.

AFTER RECESS

The house resumed at 8 p.m.

TERRITORIAL SEA AND FISHING ZONES

LEGISLATION RESPECTING TERRITORIAL WATERS AND FISHERIES LAWS

The house resumed consideration of the motion of Mr. Martin (Essex East) for the second reading of Bill No. S-17, respecting the territorial sea and fishing zones of Canada.

Mr. Howard: I should like to rise on a question of privilege, Mr. Speaker. This is the first opportunity I have had to do so because the matter did not come to my attention until the dinner hour. It involves the proceedings before the Senate standing committee on banking and commerce on Wednesday, May 13, 1964 and relates to some remarks of the chairman, Hon. Senator Salter A. Hayden. He related to the committee the gist of a conversation which he had with, as he puts it, a representative of the united fishermen and allied workers union and a member of the House of Commons. I was the member of the House of Commons. I took a gentleman, Mr. Tom Parkin, from the united fishermen and allied workers union to see Senator Hayden, the chairman of the committee and discuss the possibility of a delegation from that organization appearing before the committee later in the month. Senator Hayden goes on to say this:

I pointed out that with the convenience of transportation now there was no particular reason why we should delay until the end of the month, and they agreed that they could get a flight overnight and be here, and I told them that that should be their course of action for next Wednesday.

Later on, he says:

I had an assurance when these two gentlemen left my office last Wednesday that if they could not secure a postponement they would be here.

This is an incorrect interpretation of the discussion which we had with Senator Hayden, and completely distorts the truth. I did not enter into the conversation—

Mr. Martin (Essex East): Mr. Speaker, I rise on a point of order. My hon. friend is referring to proceedings in the other place. I cannot see how the hon. gentleman can raise, as he is now doing, a matter of privilege in respect of a situation that happened in the other place.

Mr. Fairweather: And 14 days ago.

Mr. Martin (Essex East): Fourteen days ago, as my hon. friend says. I cannot see how this is in order, Mr. Speaker.

Mr. Howard: I may point out, Mr. Speaker, it does not particularly matter if it was 14 days or 14 months ago. The hon. senator misrepresented the discussion that took place between myself, the person who came to see me and the senator. He relates that incorrect interpretation in a place where it becomes a matter of public record. I feel, then, I am duty bound, in the only forum I have at my disposal at the moment, to rise on a question of privilege and say that the hon. senator completely misrepresented the gist of that conversation and left a false impression with that committee.

[Translation]

Mr. Alexandre Cyr (Gaspé): Mr. Speaker, I would not want to let the debate on second reading of Bill No. S-17 go by without taking a little trip on the territorial waters of Canada, particularly on the gulf of St. Lawrence.

I hope I will not get seasick, like the hon. member for Skeena (Mr. Howard), and have to come back ashore to talk about another topic, such as the national flag. However, I can tell the house that fishermen of the Gaspé peninsula are most anxious to fly on their boats the flag with three maple leaves.

Mr. Speaker, a very high percentage of the people living in coastal areas of the maritime provinces depend on the sea for their livelihood, and for a great many years fishermen organizations have requested the extension of the fishing zone limit to 12 miles. On behalf of the fishermen of my riding and on my own behalf, I congratulate the Secretary of State for External Affairs (Mr. Martin) and the Minister of Fisheries (Mr. Robichaud) on the introduction of this bill.

The legislation under consideration is most important for our fishermen who have had, for the past few years, large trawlers which enable them to fish outside the three mile limit. The owners of such craft must be

given a wider field of operation, so that they may have their share of our country's resources.

We all know that Canada must respect the historic and traditional rights of certain countries, such as France and the United States. Those two countries enjoy privileges which do not hinder the fishermen of the Gaspe area. It is always possible to reach an agreement among friends. At present, fishermen from St. Pierre and Miquelon islands have their home port at Percé and operate along the shores of the Gaspé peninsula without the least bit of trouble.

The amendment, which will be put to a vote this evening, provides that the bill be referred to the standing committee on marine and fisheries, of which I am proud to be a member and the vice chairman. We shall be most glad to welcome any association, union or group wishing to be heard by that committee. I think it is time for the hon. members of this house to show our Canadian fishermen that we are looking after their problems by passing this Bill No. S-17 immediately on second reading. In my opinion, that would be the nicest gift to give our valiant fishermen to mark the opening of the fishing season. After the month of May 1964, it would come too late to be considered as a gift.

As mentioned by the Secretary of State for External Affairs before five o'clock, this bill will be referred to the standing committee on marine and fisheries committee after it is passed on second reading. Therefore, we should make it our duty to vote against the amendment now before us.

[*Text*]

Mr. Grant Deachman (Vancouver Quadra): Mr. Speaker, the members from British Columbia were pleased indeed during this current week to see a delegation coming again from the fishermen on the Pacific coast to put their story before us. They have been here before and we were happy to see them again. The delegation was comprised of men, and in some cases their wives, who are actively engaged in the fishing industry on the west coast; and accompanying the delegation, and forming a strong part of it, were a number of Indians from the west coast, many of whom derive their livelihood from commercial fishing, men who from early times have been competent and brave seamen on the coastal waters of the Pacific, who have adapted themselves to commercial fishing and who are well known in the fishing trade on that coast. Indeed it is heartening for anybody who looks at the problems of employing native Canadian Indians to see how well they adapt themselves to this basic trade on the Pacific coast.

As fishermen they have always had a moving story to tell regarding their life on the sea, and the problems and dangers which surround them. Not the least of these dangers is the very grave one of not being able to find sufficient fish in the course of a season's fishing to meet the heavy expenses of operating expensive fishing vessels, and the expenses of competing in the coastal waters of Canada for their livelihood, not only against fellow Canadian fishermen but against fishermen of other countries encroaching closely upon the shores of Canada. This, basically, was the story they wanted to put to us and have us understand.

It is not a new story in itself, for again and again this very competent union has put its story, and put it ably, in talks which it has had with the Minister of Fisheries (Mr. Robichaud). These union members have delivered briefs to each and every member of the House of Commons. They have visited on more than one occasion with members of the house to make them familiar with their case and their particular problems. They have a newspaper which is received regularly through the mail by members of parliament, a newspaper which keeps members in close touch with what they are doing and what they are thinking.

Therefore there was not anything new in what they had to say. They were bringing no new facts to light as they told us their story. They simply reiterated the very grave problems which they face. They told us it was their hope that their story would be told to the standing committee on marine and fisheries before second reading of the bill was reached. If this had been possible I am sure they would have told their story dramatically, and with all the emphasis which people, seeking their livelihood from fishing, can give to the expression of their problems. But I doubt that taking that story before the committee, and using the time of the committee to explain points that have already been made very clear, would have done much to improve upon the knowledge which the committee already has of the problem. Indeed, in doing so we might have run into some dangers.

It was made very clear by the Secretary of State for External Affairs (Mr. Martin), when he opened the discussion on the bill in this house on May 20, that negotiations and talks were already under way with other nations in regard to the effect of Canada's unilateral action in establishing the 12 mile limit, and that to open up these matters to

searching committee discussion, at a time when Canada was involved in delicate negotiations, would not be in the best interests of Canada.

Basically, what do these fishermen want? They would of course like to see all fishermen of other countries, even countries with historic fishing rights, excluded from Canadian waters and from within the 12 mile limit. I am sure, Mr. Speaker, that the problems attendant upon this will be clear to every member of the house. Such matters are those for most careful negotiation between the Secretary of State for External Affairs and the secretary of state of the United States to establish how the problem of sharing the fisheries off the coasts of North America can best be handled.

An indication that this has been receiving the close attention of the government was given by the Secretary of State for External Affairs when he referred to the remarks of the Prime Minister (Mr. Pearson) on his return from Hyannis Port when he said, as recorded at page 621 of *Hansard* for June 4, 1963, with respect to his discussions with President Kennedy:

> I informed him that the Canadian government would shortly be taking decisions to establish a 12 mile fishing zone. The President reserved the long-standing American position in support of the three mile limit. He also called attention to the "historic" and treaty fishing rights of the U.S.A., and I assured him that these rights would be taken into account. Discussions will be held with the United States with a view to determining the nature and extent of the U.S.A. rights and interests which may be affected by action which Canada is taking.

These negotiations are now in progress. As the Secretary of State for External Affairs said on May 20, as recorded at page 3411 of *Hansard:*

> This is what the government of Canada is now in the process of doing. We have already had three rounds of negotiations with the United States. In the last two months we have had a round of discussions with Norway, Denmark, Britain, Portugal, Spain, Italy and Japan. All these countries sent officials to Ottawa to have talks with us, and in our negotiations with the United States one of the meetings took place in Washington. I am hopeful that in all cases our discussions will work out satisfactorily—

Now, Mr. Speaker, while these discussions of such a delicate nature are in process I think the house will understand that the best it could do at the moment in the interest of the fishermen would be to give second reading to this bill, and thus assure them that we have taken one more step towards recognition in principle of a 12 mile limit, on a unilateral basis, to protect the fishing industry of Canada, and that we intend to proceed with the next step from there.

Mr. T. C. Douglas (Burnaby-Coquitlam): I rise purely for the purpose of making a suggestion to the minister. The Minister of Fisheries (Mr. Robichaud) and other speakers on the government side have suggested that they would be happy to see this matter go to the committee on fisheries—

Mr. Martin (Essex East): To have the bill go.

Mr. Douglas: —to have the bill go. We of course would like to see the bill go to committee prior to second reading. I rise for the purpose of asking the minister, who is piloting the legislation through the house, if he would be prepared either to introduce or to support a motion which would send the subject matter of this legislation to the committee, as we did with similar legislation a year ago? If the minister is not prepared to do this, I think we have no recourse but to vote on this motion. If the minister agrees to send the subject matter to the committee we are prepared to withdraw our motion and support the motion to send the subject of the bill to the committee. I cannot see why the minister should be shaking his head so vigorously. If the course we propose were adopted, the committee on marine and fisheries would have an opportunity to discuss the whole subject matter of the bill without being tied down to legislation to which this house had already given approval on second reading.

Some hon. Members: Question.

Mr. Douglas: Is the minister not prepared to send the subject matter of this legislation to the committee on fisheries?

Mr. Martin (Essex East): That is not a suggestion which can be accepted. Nothing would weaken the negotiations which are now under way more than such a course. One of the reasons this bill was introduced was to facilitate and strengthen us in the negotiations we are conducting—so that we would be able to say we have a legislative basis. The course suggested by the hon. member is on that account, apart from other reasons, unacceptable. But there will be the fullest opportunity for members of the committee to put forward various points of view, to seek improvements in the bill and to seek to obtain further information from the government about the base lines. The information available will depend upon the nature of the negotiations at that time. I am sure the purpose the hon. gentleman has in mind could be served by giving second reading to the bill and referring it to the committee for the fullest discussion.

Division

The house divided on the motion (Mr. Barnett) which was negatived on the following division:

YEAS

Messrs:

Barnett	Knowles
Beaulé	Laprise
Bélanger	Latulippe
Boutin	Martin (Timmins)
Brewin	Mather
Chatterton	Orlikow
Dionne	Peters
Douglas	Prittie
Fisher	Rondeau
Herridge	Winch—21.
Howard	

NAYS

Messrs:

Addison	Groos
Aiken	Gundlock
Alkenbrack	Habel
Armstrong	Hahn
Badanai	Haidasz
Baldwin	Hales
Basford	Hamilton
Batten	Honey
Béchard	Horner (Acadia)
Beer	Horner (Jasper-Edson)
Benidickson	Howe (Wellington-Huron)
Berger	Irvine
Blouin	Jorgenson
Boulanger	Kelly
Byrne	Kennedy
Cadieu (Meadow Lake)	Klein
Cadieux (Terrebonne)	Konantz, Mrs.
Cameron (High Park)	Lachance
Cantin	Lamb
Cardiff	Laniel
Caron	Laverdière
Carter	Leboe
Cashin	Lessard (St. Henry)
Choquette	Loiselle
Chrétien	Loney
Churchill	Macaluso
Côté (Chicoutimi)	MacEachen
Cowan	MacEwan
Crossman	MacInnis
Crouse	MacNaught
Cyr	Macquarrie
Danforth	MacRae
Deachman	McIlraith
Deschatelets	McIntosh
Dinsdale	McLean (Charlotte)
Doucett	McMillan
Drouin	McNulty
Drury	McWilliam
Dubé	Madill
Dupuis	Martin (Essex East)
Émard	Matheson
Ethier	Matte
Eudes	Monteith
Fairweather	Moore
Fane	More
Favreau	Moreau
Fleming (Okanagan-Revelstoke)	Mullally
Forbes	Munro
Francis	Nasserden
Frenette	Nesbitt
Gelber	Nicholson
Gendron	Nielsen
Godin	Nixon
Gordon	O'Keefe
Gray	Olson
Greene	Ormiston
Ouellet	Skoreyko
Pascoe	Smallwood
Paul	Southam
Pennell	Stefanson
Pepin	Stenson
Pigeon	Tardif
Pilon	Temple
Pugh	Thomas
Rapp	Tremblay
Regan	Tucker
Ricard	Vincent
Rinfret	Wahn
Robichaud	Walker
Rochon	Watson (Assiniboia)
Rock	Webb
Rouleau	Weichel
Ryan	Winkler
Simpson	Woolliams—148.

[Mr. Martin (Essex East).]

Mr. Deputy Speaker: I declare the motion lost. Is the house ready for the question on the main motion?

Some hon. Members: Question.

Mr. G. H. Aiken (Parry Sound-Muskoka): Mr. Speaker, it is my understanding that this bill will be sent after second reading to the standing committee on marine and fisheries. If I may speak on the main motion for a moment, I should like to make my position clear. I favour a complete and full examination of this bill in a committee where witnesses can be heard and the matter can be fully discussed. However, we in this party are fairly well agreed on the general principle of establishing the limits which are set out in the bill. We feel however that the bill has many shortcomings in that certain matters have been left out of it and that it has inadequacies. We hope that schedules might be added to the bill and that some of our doubts might thus be clarified.

It is for that reason we voted against sending it to a committee at this stage, before second reading. We feel, as I say, that the bill should be accepted in principle, regardless of the shortcomings to which I have referred; and we hope it may be amended in committee after full and complete hearings have been held, so that the bill will be satisfactory to everyone in the house.

Mr. Frank Howard (Skeena): Mr. Speaker, we have no desire, and I certainly hope the impression is not left that we do have any desire, to disagree or quarrel with the decision the house has just made. We think it should have made a different decision, but it did not. We think it would have been the better course to follow if the house had made a different decision. However the bill is before us for second reading, and we are now in the position of saying that this is better than nothing at all.

We hope that when the bill gets to the committee this full, clear and deep examination which the Secretary of State for External

Affairs (Mr. Martin) has promised will take place, will in fact take place. I have noticed in the past that ministers of the crown have given the house similar assurances, but when the matter was referred to the committee the majority on the committee—this was when we used to have a majority on a committee—decided otherwise. So the assurances of the Secretary of State for External Affairs really do not mean anything because it is the committee which will decide what it will or will not discuss. However, it is good to have the statement of the Secretary of State for External Affairs on the record so that we can persistently point to it if any of the members of the committee try to stifle the examination or debate which will take place.

I should like to make a few remarks about what I think is an incorrect approach to the negotiations to which reference was made, and the course which those negotiations have followed. In the first instance the Minister of Fisheries (Mr. Robichaud) and the Secretary of State for External Affairs (Mr. Martin) have each said that the basis for this bill is the brief which was presented by the Fisheries Council of Canada some time in January of 1963. I merely want to say that the fisheries council of Canada is not the only organization in this nation with an interest in the fisheries. In fact, it represents only one segment of the fishing industry, the employing section, and thus would likely take a biased and prejudiced approach. So I think it was wrong in principle to base the contents of the bill solely upon a brief presented to the government by one section of the fishing industry.

Second, I think it is wrong in principle to use the contents of that brief as a basis for negotiations. We have heard the cabinet say time and time again that they must not disclose what their position is, that they cannot make public what they are thinking about, that they want to approach the negotiations with the other nations with a strong hand and therefore they do not dare tell the parliament and people of Canada what they are doing. On the other hand, they claim they are basing their whole negotiations on a brief which is a public document. Thus, if that is the basis for their negotiations, they are in the position of only being able to retreat from that base and are not able to negotiate beyond the contents of that brief, because the pressures from other nations are directed toward making the Canadian government retrench and draw back from whatever position they may have started with, with respect to base lines, fishing zones or anything else.

Here are two things that are wrong: First, basing their approach upon the attitude of one segment of the fishing industry and, second, saying that the attitude of that segment is the basis of negotiations, thus leaving the government in the position of only being able to retreat, depending upon the amount of pressure exerted by other nations. They were wrong in principle in approaching these negotiations, because of the fact that from the very start they had given away two principal points. They gave away the opportunity to attempt to renegotiate the two existing treaties with regard to historic fishing rights claimed by the United States and France. It is a bad and terrible way to conduct negotiations to say to those with whom you are negotiating: We are going to give away some of our points before we even talk about these matters, so just discard this question of treaty rights and historic fishing rights and we will proceed backward from there. This is another opportunity afforded to other governments to force our government into retreating from what should be a firm and determined position.

Not only that, but in the course of this debate there came to light a most disturbing revelation. Let me quote from the opening remarks of the Secretary of State for External Affairs on May 20. I do so in order not to fall into the possible error of misinterpreting what he said. At that time he said:

> Canada has never published official charts showing the present base lines, but for at least parts of our coast the base lines follow the sinuosities of the shore.

In other words, the base line is measured from the high water mark. He went on to say:

> Pending the establishment of straight base lines, the fishing zones will be measured from the existing ones. This is clearly provided for in the bill.

I take that to mean that from the present high water mark from which we now measure three miles we will measure 12 miles when the bill establishing the fishing zone comes into effect.

Mr. Martin (Essex East): Nine plus three.

Mr. Howard: Nine plus three are 12, so we will measure nine miles beyond the present three and we will have a 12 mile fishing zone following what is called the sinuosities of the coast or the convolutions of the bays, inlets and so on. Following that we will then have secret negotiations, or by decision of the cabinet co-ordinates will be established and we will draw the base lines and measure the distance all over again. But with respect to the initially established fishing zone let me quote what the hon. member for Antigonish-Guysborough (Mr. Stewart) said on May 21. As everyone in the house knows, he is a prospective cabinet minister inasmuch as he is now in that esteemed position of parliamentary secretary, and presumably he speaks

with some authority. He pretty well reiterates what I have just said, but as found on page 3467 of *Hansard* he made this statement:

When this bill has been proclaimed Canada's fishing zone will extend nine miles beyond the present three mile limit. The function of this portion of the bill, as I understand it, is to establish the existence of Canadian fishing zones.

This is the important part.

Let me say here parenthetically, Mr. Speaker, that it is my understanding also that since these zones are shortly to be moved farther out to sea in many places—that is, just as soon as the straight base lines have been defined and published—these zones will not be enforced in their temporary locations.

What sort of admission is that for the parliamentary secretary to make when the parliament of Canada is being asked to enact a law to establish a 12 mile fishing zone, namely to say that this does not matter because we are not going to enforce it in any event? It makes an absolute ass out of the law that we are in the process of enacting. I think this is a disgraceful state of affairs, and another revelation to parliament and the Canadian people of the attitude of the government toward this vitally important question.

As has been mentioned a couple of times, before we even started discussions we gave away our position so far as these so-called historic and treaty fishing rights are concerned. The Secretary of State for External Affairs made this as clear as it is possible for him or anybody else to make anything clear before the banking and commerce committee, when he said it was never the intention of the government to interfere in any way with the existing treaties. On the 26th of May, as found on page 3620 of *Hansard*, the minister referred to the historic fishing rights, and I should like to quote from what he said. Incidentally he is a very quotable person. At times it is difficult to quote him with any clarity because he is so verbose and clutters his thoughts with so many words that it is difficult to distinguish just what is fact and what is fancy, but in this case he was particularly clear. He said:

There is no intention to interfere with the treaty or historic fishing rights of the United States, with whom the particular negotiation has been put in question by my hon. friend, and there is no justification for creating the suggestion that anything involving Canada's interest stands in jeopardy.

That is as clear as it is possible for anything to be clear. The Canadian government had no intention and does not intend to interfere with the historic fishing rights of the United States. This substantiates what I said earlier, that the government gave away one of the points of negotiation before even entering into negotiations. This was substantiated by the Minister of Fisheries on May 27 and I should like to quote from his remarks as found on page 3660 of *Hansard*. Incidentally, I should preface this by saying that he was referring to the thought that retaliation might be forthcoming from the United States if we took a firmer attitude on this question. He said:

Seeing that the interests of the United States fishermen in the areas affected by the establishment of a 12 mile fishing zone and straight base lines are being fully recognized, and I would hope my hon. friend agrees with me on this position, it is difficult to see how the question of retaliation by the United States should even arise.

I want to come back to this question of potential retaliation in a moment, but for the time being I want to stick to these two quotations. They represent a clear statement by the two responsible ministers that the so-called historic fishing rights to which they referred are fully protected now, fully recognized. They are given full protection in the future, perhaps forever, but this is not clear in the bill that is now before us.

We come now to the question of the reluctance or refusal of the cabinet ministers responsible to disclose to the house what are to be the co-ordinates from which or between which the base lines will be drawn. If as the two hon. gentlemen have said the historic fishing rights and treaty fishing rights of the United States of America are to be fully protected, then why do they not declare now what the base line and the co-ordinates will be for the west coast? The United States of America is the only nation in the world that has any treaty or historic fishing rights on the west coast. There are to be no negotiations, since these rights are fully recognized and fully established. What is wrong now with saying, since these negotiations are completed, here are the base lines? Then, at least parliament will be taken into the confidence of the two hon. gentlemen about this phase of it.

Perhaps they are going to make more concessions. This is a very incisive question. What sort of concessions are they going to make to the United States, to their friends south of the line? Why the refusal to disclose this information when it cannot possibly affect any negotiations because each of the ministers has said the position of the United States on the west coast will be fully recognized?

I can predict, I think, now what will happen. The Minister of Fisheries (Mr. Robichaud) tried unsuccessfully yesterday to mislead the house into thinking that Dixon entrance, Hecate strait and Queen Charlotte sound would be enclosed within the lines. I will tell you what is likely to be the case. Obviously, because of the refusal to disclose at this time where the base line is going to

be drawn out there, the base line from headland to headland will be drawn in such a way that Hecate strait, Dixon entrance and Queen Charlotte sound will be left as international waters. Is there any reason why the minister cannot say now that the situation will be otherwise? We would certainly like to hear it. I think at this juncture, before the house is asked to pass this bill in principle, this is the sort of information that should be given to us.

Following their argument—I think it is an illogical one—but following their argument they may have a case for refusing to disclose this information so far as the east coast is concerned. They claim to be dealing with Denmark, Great Britain, Italy, Norway and other countries in connection with these so-called historic fishing rights. They may not want to disclose their hand at this stage, although I fail to see why. They disclose their hand to the United States and they give way on all points even before the negotiations take place.

This question is of vital importance to west coast fishermen, vitally important to the preservation and development of our fisheries out there. The refusal to disclose this information, unless there is a clear, adequate reason given for that refusal, would be tantamount to the admission that they intend to give more and more before the pressure of their very friendly neighbours, as they call them.

Before I sit down, I should like to make a reference to the thought expressed that there might be economic retaliation by the United States against our fishery exports to that country. I believe these exports total in the neighbourhood of $100 million per year in value. In the first place, I cannot see why there would be retaliation because each of the ministers has disclosed that the treaty rights and historic fishing rights of the United States are completely recognized. Why raise the question of potential retaliation?

In any event, let us look at a few statistics which I was able to obtain today from a United States publication of the department of interior, fish and wildlife service, bureau of commercial fisheries, entitled, "Fisheries of the United States for 1962." This publication came out in April of this year. Incidentally, these statistics are substantiated by our own statistics, but I thought that inasmuch as the United States are involved we should look at what they have to say on the question. The United States, from its own waters, cannot at this stage and have not been able for some years now, to catch sufficient fish for their own domestic consumption. There is some argument about this, depending upon whether you take into account their exports and balance them against their imports or whether you do not take that into account. There is some argument as to what this catch is in relation to consumption, but it ranges between one half and two thirds. No matter how you interpret the statistics, the United States cannot possibly obtain from its own waters more than two thirds of its domestic requirements. It must import at least one third which, in poundage value of edible fish products, is in the neighbourhood of 1.2 billion pounds and in non-edible fish products such as meals and oils, is in the neighbourhood of 75 million pounds, with a value of about $500 million.

For a number of years the United States has been in a position whereby they must import this amount of fish. One could say that if we get firm with them they may cut off importation of our fish and buy it from some other nation. But what sort of friends are they if they do that? We have been told by everybody from the Prime Minister (Mr. Pearson) down, and from the Acting Prime Minister (Mr. Martin) up, that they are the greatest bosom pals we have in the whole world; that the United States government are our friends and allies, and that they bestow love and affection upon us. What sort of friends are they if we as a small nation, one tenth the size in wealth and population, exert a little bit of national sovereignty for our self-preservation economically and for the preservation of our fisheries, and they turn around and wreak some economic retaliation against us? I just do not believe they would, or else the Prime Minister and his colleagues have been telling us a different story about this love and tenderness which exists between us and the United States.

I merely point out this one fact, if it is necessary, to show it clearly; and I do not know any other way to put it except to say in a rather blunt fashion that the government of Canada, in this as in other instances, obviously has not the intestinal fortitude necessary to protect fully the interests of the fisheries people in Canada.

Mr. A. B. Patterson (Fraser Valley): Mr. Speaker, my remarks will be very limited this evening. However, I feel there are several observations I should make at this particular stage of the debate.

I abstained from the vote tonight, not because I am not in sympathy with the views of the united fishermen and allied workers union but because I was not in agreement with either the position of the government or the position that was indicated by the motion to refer that was voted upon tonight.

Perhaps I could put it in a more positive way. I agree with the main principles enunciated by the fishermen's union. On the other hand, I do not appreciate the adamant stand that has been taken by the government in regard to these essential matters. I believe we have now reached the point, if this bill passes second reading tonight, where the onus rests on the government to hear the representatives of the fishermen themselves and to give them the fullest opportunity to present their case before the standing committee on marine and fisheries.

The union feels, and I believe it has right to feel, that it has been given the run-around so far as the work of the committee on marine and fisheries is concerned. I brought this matter to the attention of the minister. Other members have brought it to his attention, and the union feels that on a number of occasions promises have been made—sacred promises—by the Minister of Fisheries (Mr. Robichaud), but he has not yet come through with them. Therefore they feel in this particular matter that they are in the position where they can hardly trust the Minister of Fisheries.

The promise was made by the minister to the effect that this bill would be referred to the committee after second reading. I wonder why the fishermen's union did not have the opportunity of bringing its case before the committee months ago. I do not think there was anything to hinder the setting up of that committee and allowing the representatives of the fishermen to appear and discuss, at least in general terms, the basic problems that are facing them at the present time. They would not have had the bill before them. They would not have had any resolution before them, but at least they would have had the opportunity of presenting their case before the committee so that every member of that committee would be well versed on the views they hold on this matter.

When I spoke on this subject a few days ago the minister interjected to say they had already secured the views of the fishermen's union and that a very substantial brief was presented at the conference held some time ago. However, I insist that is far less satisfactory than having the men appear before the committee on marine and fisheries where members of that committee could question the representatives of the fishermen and could have a frank discussion on these various matters.

The minister, and I believe also the Secretary of State for External Affairs (Mr. Martin), indicated that it would not be in the best interests of the negotiations currently being undertaken to have this matter submitted to the committee before second reading of the bill. There may be some validity to that argument at the present time but, as I said before, I do not see why the opportunity could not have been given to the fishermen's union to present their case before the committee several months ago.

I trust, Mr. Speaker, that when this matter does go before the committee there will not be any attempt on the part of the government, or on the part of government members, to limit the debate, discussion and expressions before that committee on these various matters that have been referred to tonight by the hon. member for Skeena Mr. (Howard), such as historic fishing rights, base lines and all the other relevant factors. I trust that the united fishermen and allied workers union and others representing fishermen will then take full advantage of pleading their case before that important committee of the house.

Hon. H. J. Robichaud (Minister of Fisheries): Just in order to keep the record straight, Mr. Speaker, I think I should reply very briefly to the statement made by the hon. member for Fraser Valley (Mr. Patterson) to the effect that I have not kept my promise to the united fishermen and allied workers union that they would be given a chance to appear before the standing committee on marine and fisheries.

Just a few weeks after I assumed responsibility as Minister of Fisheries, on my first visit to the west coast, I met with representatives of the union and I made a definite commitment that the question of the north Pacific treaty would be referred to the standing committee on marine and fisheries before ratification or acceptance by the government. I had no way of knowing at that time that we would have three or four phases of negotiations. Later, I made a similar statement in the house. I repeated in the house what I told representatives of the united fishermen and allied workers union, that once the negotiations had been completed on the north Pacific fisheries treaty, the standing committee on marine and fisheries would be convened and the question brought before it before acceptance or ratification by the government.

This is the promise which I made to the united fishermen and allied workers union, and I am sure the hon. member will understand that while the negotiations are under way, while we are on the eve of getting agreement on this treaty, it would not be proper to bring the matter before the committee and disclose the details of negotiations which are taking place, not only between two countries but between Japan, the United States and Canada.

Mr. Patterson: Mr. Speaker—

Mr. Deputy Speaker: Order. Is the hon. member rising to ask a question? He has already spoken on the motion now before the house, and of course cannot speak twice.

Mr. Patterson: I realize that, but I would like to ask the minister if he feels he has fully fulfilled his promises to the fishermen in regard to the opportunity of presenting various matters before the standing committee on marine and fisheries—not just one particular one, but several? I would like to ask the minister if he feels he has fully met his promises to the fishermen's union?

Mr. Robichaud: Mr. Speaker, when Bill S-17 will be referred to the standing committee on marine and fisheries that group will be given full opportunity to express its views and, if it is decided that during the present session the estimates of the Department of Fisheries be brought before that committee, there again they will be given the opportunity to present their views. But once again I want to emphasize the point that we cannot bring the matter of the north Pacific treaty before the committee when negotiations are under way.

Mr. Patterson: May I ask the minister why it was not possible to have a meeting of the standing committee on marine and fisheries some months ago, when the fishermen could have presented their views in regard to such matters as the 12 mile limit, base lines and the other things that are before us at present, at a time before the negotiations actually started?

Mr. Robichaud: Well, Mr. Speaker, at the last session it was decided that the estimates of the Department of Fisheries, for obvious reasons, would not be brought before the committee. There were no matters to refer to the committee at the time, but now that we have this Bill S-17, and when the north Pacific negotiations are completed, we will have definite matters to bring before the committee. Again I want to stress the point that this group will be given the fullest opportunity to express its views.

Mr. Howard: I wonder if I could ask the minister before he concludes whether it is the intention of the government to proceed to move a motion in this house to refer the estimates of the Department of Fisheries to the fisheries committee this session.

Mr. Robichaud: This matter is under consideration. The chairman of the standing committee on marine and fisheries was in to see me a few days ago and I told him that I hoped to be able to make a decision on this matter very soon.

Mr. Patterson: Is the government prepared to set out the base lines and the co-ordinates for the base lines before this bill is brought back before the house?

Mr. Robichaud: That is a decision which will be taken when the committee is called together.

Motion agreed to, bill read the second time and referred to the standing committee on marine and fisheries.

NATIONAL HOUSING ACT

AMENDMENT RESPECTING RENEWAL PROGRAMS, PUBLIC HOUSING PROJECTS, ETC.

Hon. J. R. Nicholson (Postmaster General) moved that the house go into committee to consider the following resolution:

That it is expedient to introduce a measure to amend the National Housing Act, 1954,

(a) to provide further assistance to provinces and municipalities carrying out urban renewal programs by authorizing Central Mortgage and Housing Corporation (hereinafter referred to as "the corporation") to make contributions and loans to provinces or municipalities to assist them in meeting the costs of such programs, and for this purpose to provide for the payment out of the consolidated revenue fund of amounts not exceeding in the aggregate one hundred million dollars;

(b) to authorize the corporation to make loans and to insure loans made by approved lenders to owners of existing houses in areas included in urban renewal programs;

(c) to authorize the corporation to make loans and contributions to provincially or municipally owned housing agencies for constructing or acquiring public housing projects and operating such projects, and to authorize the corporation to contribute a portion of the operating losses on any such projects that provide subsidized housing accommodation to individuals or families of low income;

(d) to permit federal-provincial public housing projects to include existing housing and hostel or dormitory type housing accommodation;

(e) to authorize the corporation to make loans to non-profit organizations to assist in the acquisition or construction of housing accommodation for individuals or families of low income;

(f) to authorize the corporation to make loans to co-operative associations and charitable corporations to assist in the construction of accommodation for university students and their families and to increase from one hundred million dollars to one hundred and fifty million dollars the maximum amount that may be paid out of the consolidated revenue fund for this purpose;

(g) to authorize the corporation to make loans to provinces to assist in the construction or expansion of sewage treatment projects and to authorize the corporation to forgive repayment of twenty five per cent of the principal and interest on any loans made to provinces or municipalities for this purpose in respect of work completed by March 31, 1967;

(h) to increase from two billion dollars to two and one half billion dollars the maximum charge on the consolidated revenue fund for direct loans by the corporation;

(i) to provide for the establishment of a special account in the consolidated revenue fund out of which amounts not exceeding in the aggregate one

hundred million dollars may be advanced to the corporation for the making of loans to the holders of mortgages issued in respect of loans insured under the act and for the purchase by the corporation of mortgages issued to secure such loans;

(j) to increase the loan ratio for insured loans made to home owners and builders; and

(k) to provide further for certain changes in the administration of the act.

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

Mr. Nicholson: This is my first comprehensive statement in this chamber as the minister responsible for housing. If for no other reason, the social and economic implications to Canada of this very important subject would make it an occasion of great significance to me. It is also the government's first comprehensive statement with respect to housing.

The resolution is the forerunner of amendments to the National Housing Act which represent a basic change in our concept, perhaps I should say a completely fresh approach, to some of the most vexing housing problems facing the country.

The proposed amendments will introduce a new flexibility into our National Housing Act, both as to objectives and as to ways in which we should strive to attain these objectives. They will, I hope, influence for the better the lives of many thousands of Canadians, in cities and towns, both large and small in all parts of Canada. Here in the resolution, and of course, in the bill to follow, is the promise of new hope for lower income families, for elderly persons and for those who are forced to raise their children in slums or near slums. There is also an added measure of help for university students. Finally, there are broad changes designed to assist provinces and, through them, the municipalities, to meet some of their housing and other development needs.

In view of what I have said, the duty I am called upon to perform tonight carries with it a double satisfaction. It also carries with it an element of sorrow, since both the resolution and the amending bill represent years of thought, work and effort on the part of our former colleague in this house, the minister of national revenue at the time of his death, the late member for Nipissing.

The late Jack Garland was a member of this house for more than 14 years. During a large part of that time he was the opposition critic on housing matters. Throughout the whole of his adult life he had a vital interest in this subject and he acquired a vast knowledge of Canada's housing needs. Consequently, I am sure it did not surprise members of this house to learn that when he became a minister of the crown he was given an opportunity to implement many of the policies and views that he had expressed when he sat on the opposition benches. The resolution now being considered and the bill to follow are largely Jack Garland's brainchild and I know I voice the sorrow and sincere regret of all hon. members that Jack Garland himself is not here to introduce this resolution and speak in support of it.

I should also like at this time to express appreciation of the work done on this particular resolution and on the bill to follow by another great Canadian, the late president of Central Mortgage and Housing Corporation, Dr. Stewart Bates, whose death earlier this week came as a shock to us all. As hon. members are no doubt aware, Dr. Bates served his adopted homeland, Canada, with brilliance and distinction both before and after he resigned as professor of commerce at Dalhousie University early in the war years to assume an important post in the federal Department of Fisheries. After three years with the fisheries department he became deputy director general of economic research in the department of reconstruction and supply, and one year later he became director general of that branch. In 1947, Dr. Bates was appointed deputy minister of fisheries. I could not help but think of him, as I listened to the debate which took place earlier this evening and this afternoon. He made a really great contribution to the department of fisheries, in working out a series of international fishery agreements, one of which was with the north Atlantic nations while the other—the Minister of Fisheries referred to it a few minutes ago—concerned the north Pacific.

Dr. Bates was appointed president of Central Mortgage and Housing Corporation in December, 1954 and he held that office until his unexpected death on the evening of Sunday last. The late Dr. Bates worked closely with my predecessor, Mr. Garland, during the eleven months in which the latter was the responsible minister for Central Mortgage and Housing Corporation and he worked closely with me during the period which followed. I had hoped that Dr. Bates would be with me on the floor of the house, when the bill comes up for discussion. I know I voice the feelings of the sorrow and the sincere regret of all members of the house that he is not here to participate in these proceedings.

Looking back over the list of distinguished Canadians who preceded me as minister responsible for housing, I find that none of them was usually given to general statements about the basic questions of federal housing policy. Perhaps I have a less philosophical mind than most of my predecessors, but I

would find it extremely difficult to consider the details of the proposed legislation, without first giving some thought to the general state of housing in Canada and to the purposes which I, as a member of the government, believe we should be trying to achieve through our housing legislation.

Earlier this month I had the pleasure of participating in the opening ceremony of a federal-provincial housing project in the city of Saskatoon. While in that city I visited two other projects that were largely financed by the federal government, with a very substantial contribution from the Saskatchewan government. Since taking over as the minister responsible for Central Mortgage and Housing, I have had occasion to visit many other housing projects in different parts of Canada, including Sarnia, Winnipeg, Vancouver and other cities, and I have been impressed by what I have seen in all these communities. But I have been even more impressed with the improvements that have taken place during the last 15 years in the design and construction of housing projects with which C.M.H.C. has been associated.

On June 26, the first federal-provincial housing project associated with urban renewal will be opened in the city of Winnipeg. It will be Winnipeg's very first urban renewal project. His Worship Mayor Juba has proposed that I encourage members of this house, who may find it possible to be in Winnipeg on June 26 to attend the opening ceremonies. The ceremonies will commence at eleven o'clock on the morning of Friday, June 26.

The federal government, the provincial government and the city of Winnipeg will be joint hosts on that occasion. The ceremony will be followed by a luncheon at the Fort Garry hotel, and members of this house and members of the other place, who may be in Winnipeg on that occasion are cordially invited to the ceremonies and to the luncheon at the Fort Garry hotel. If any hon. member can make it, if he will give his name to me, to my office or to my colleague the Minister of Veterans Affairs (Mr. Teillet), we will see to it that the formal invitations to the ceremonies and to the luncheon are sent to all interested members.

Mr. Chairman, by any international standard Canadians generally are well housed. We have a population of approximately 19 million, housed in 4.8 million occupied housing units. Seven out of ten of these dwellings are relatively new, having been built since 1920. Only 5 or 6 per cent of these houses are described in the 1961 census as being in need of major repair. Ninety per cent of our Canadian families have the exclusive use of their own homes.

Canada's population is increasing at the rate of about 400,000 persons per annum. This increase in population is accompanied, as all hon. members know, by a decline in farm population; thus the increase in other areas is such that as a nation we need an output of roughly 125,000 dwellings per annum in our cities and towns—not in the rural areas—merely to keep abreast of population growth in housing requirements.

Over the past ten years new housing and the repair and modernization of existing houses certainly has been sufficient to bring about a real improvement in the over-all housing situation in Canada. The number of doubled-up families has gone down by 150,000 during the period to which I have referred. Occupied dwellings in which you can get hot and cold running water has been increased during the same period by half a million. Between 1951 and 1961, there was a decline, I believe, of 400,000 or more in the number of occupied dwellings lacking modern toilet facilities. Nevertheless, Mr. Chairman, despite the generally high standard of housing conditions in Canada, and despite the recent and continuing improvement in the over-all situation, there are still far too many Canadians living in desperately inadequate and overcrowded housing units. Close to half a million families are still sharing accommodation with others, and one fifth of our dwellings in Canada still lack hot and cold water and modern bathing facilities. Fifteen per cent of our housing units or dwellings in Canada lack modern toilet facilities. The lack of amenities, as you might expect, is more pronounced in rural than in urban areas, but congestion in the cities, in the urban areas, is great, and even there the lack of amenities is shocking.

I think we can all get pleasure and satisfaction out of the very high—unusually high—average standard of housing in Canada, and we certainly can rejoice in the improvements to which I have referred. We can be gratified with the knowledge that assistance of one kind or another under our national housing acts has played a very considerable part in achieving our present standard and in improving it from year to year. But, Mr. Chairman, while we are in a mood of self-congratulation let us not fail to accept some responsibility for the misery that persists in the slum and near-slum areas of at least some Canadian cities. Also let us not forget the danger that lurks in the fire traps, let us not forget the newspaper headlines that we see too often, particularly during the winter months, that tell of death by fire, by suffocation and neglect in many of our towns and cities.

After nearly 20 years of steady improvement in average housing conditions in this country, is it not reasonable to ask one simple question? How long must the trend of improvement in average housing standards continue before we take steps, as a national parliament, to do away with some of the extreme privation that continues to plague large numbers of our fellow Canadians in their housing predicament? The answer to this question, to those who have visited Halifax, Saint John, Montreal, Toronto, Hamilton, and Vancouver particularly—my home city—hits one in the face, and certainly there is no reason for any of us to be complacent or satisfied with what we find in these cities. We cannot go on indefinitely improving the average standard of housing conditions and not seriously try to do something worth while for the large numbers of people, who are forced to put up with accommodation that in some instances at least offends even the most rudimentary sense of human dignity.

Under the National Housing Act over the past ten years the production of half a million new houses has been subsidized or assisted in one way or another. Of these houses, 450,000—90 per cent—have been built under the insured loan provisions of the National Housing Act. That is to say 90 per cent of the entire housing output associated with the National Housing Act has been provided for the middle income or upper income classes. These are people who can afford new houses. But only 10 per cent of the N.H.A. output was provided under the sections of the act specifically designed to benefit people in the lower income brackets.

I submit it is clear from this pattern that Canadian housing policy has been heavily committed to the support and aid of the private market; and rather to the production of housing than to its distribution, which has been left almost entirely to these private market forces. I am sure that the government and all hon. members of this house fully support the good features of what has happened under our existing housing policy and favour its continuation. Perhaps one way to put it is to say that this continued improvement has become a basic fact of Canadian life. But while we may undertake to continue this policy, we must be careful not to give it our exclusive commitment, because there are many things which this type of public financing cannot do. For instance, it cannot assure us that we will be able to correct the worst housing conditions, housing conditions of the nature to which I referred a few moments ago. Admittedly correction of these conditions cannot be achieved either quickly or economically under what is frequently called the "filtering down" process. I think all hon. members know, what is meant by the filtering down process, and I believe we all subscribe to some degree of belief in that process. If you build houses for the middle or upper income class, the poor of course will benefit from some of the houses which are passed down to them by the upper classes. That will follow as daylight follows dark. The slum or near slum dwellers and the poor of this country—the residual legatees, if you want to put it that way, of this filtering down process—would be very much worse off, if there were no filtering down process. Nevertheless they do not get the type of help that I am sure members of this house want them to have. The filtering down process is too indirect. It is too uncertain; it is too slow; and it is too expensive in the long run.

In the view of the government, public housing offers a device by which additional housing can be made available directly at subsidized rents to those most in need, without requiring any diversion of the housing requirements of others. If the elimination of substandard housing conditions in Canada is among our housing objectives, as it should be, then we will have to depend largely upon public housing to achieve these objectives.

There has been provision for public housing in the National Housing Act for as far back as 1949. Section 36 of that act provided for the construction and operation of public housing projects by the federal and provincial governments on a 75-25 per cent cost sharing basis.

Some provinces, and more particularly Saskatchewan—I was very impressed by the developments I saw during my visit to Saskatchewan—have done more than others in this field. Projects are initiated by the municipalities with the approval of the provinces, and during the 15 years since this section has been introduced some 12,000 public housing units have been built in Canada. Of these only 9,000 have been let at subsidized rents geared to the tenants' income. The annual subsidy bill to the federal government for these houses for the people in the lower income brackets, and our elderly citizens, is $1.7 million, and in my opinion that is a shockingly low sum to pay for a country as rich as Canada.

There are well over 100,000 families in Canada, who are unable to go to the private market to obtain accommodation or to go on the market and get houses under the existing provisions of the National Housing Act. In the course of my visits during recent months, I have been taken to houses where the accommodation is shocking and would not be considered adequate under the most Spartan of

standards. In my view, and I speak as a minister of the crown, our best accomplishments in public housing are not impressive. In the view of the government it represents the greatest single area of failure in our federal housing policy.

As hon. members will see from the resolution, paragraphs (c), (d) and (e), the bill to be placed before them has as one of its principal aims a new emphasis on the needs of low income families. The bill itself will contain a new institutional framework for the provision of public housing.

As I mentioned earlier, the existing legislation does provide for federal-provincial partnerships engaged in public housing activities. Now it is proposed in this new resolution that the provinces, or perhaps I should say the municipalities which are designated by the provinces, may create and own public housing projects themselves. The federal government, through C.M.H.C., is to provide long term capital assistance in the form of loans and in the form of grants for such projects. If hon. members look at paragraph (c) of the resolution this becomes obvious. The federal government is also to pay a portion of the annual subsidies or operating losses of such projects created by the provinces or by the municipalities which they designate. That is also provided for in paragraph (c).

These projects, of course, will be reserved generally for the use of tenants unable to afford adequate accommodation on the private market. It will be largely up to the provinces and to the local government bodies designated by them to acquire and to build and manage these projects. The public housing contemplated—this is very significant—may consist of new dwellings or may consist of dwellings acquired or leased from the existing stock of units. As far as the government is concerned, non-self-contained as well as self-contained accommodation will be considered eligible under paragraph (d) of the resolution. The provision for provincial and municipal ownership to which I have just referred is considered fitting because of the wide range of responsibilities which must be assumed by the provinces, or rather by the designated municipalities. It seems obvious that the provinces will have to co-operate, and the success of the scheme to a large extent will depend on the co-operation we get from the provinces and the municipalities they designate. Even though this be so, it is not necessary for either provincial or local governments to choose this new course which is provided for in the resolution, because there is no change in what they have been able to do in the past. The existing legislation will continue.

While providing for the new techniques the legislation will not take away anything that is in the old section 36, and the arrangements for federal-provincial projects, financed on the 75-25 per cent basis, will remain. The purchase or lease of existing housing as well as the building of new houses will be possible under the new legislation. It is also significant that buildings that are not self-contained will be included in the new scheme.

In short, Mr. Chairman, the bill, which I hope we will be able to discuss in all its detail on a very early occasion, will, as the resolution indicates, offer a new technique for public housing. It will also provide for some amplification of present techniques. The goal of the legislation is frankly ambitious and it encompasses nothing less than a decent standard of housing for all Canadians.

I must point out, however, that, as I mentioned a moment ago, this objective cannot be secured by the federal government alone. It can be achieved only in those provinces which subscribe to and are prepared to share the purposes and aims of the new legislation and, of course, are prepared to share a portion of the costs.

I might say, Mr. Chairman, that the government has a flexible attitude toward the new legislation itself but not toward the objective. If within a reasonable time the legislation fails to produce the pace of activity that is needed to bring about our ultimate goal it will have to be reviewed. I believe, however, that as long as there is hard evidence of provincial dedication to the same goal as is outlined in the resolution, we will reach that goal together and we will reach it in our and not in somebody else's lifetime.

I turn now to another broad area of public policy toward which the proposed bill is directed. For the first time federal legislation is put forward which will encourage and assist municipalities, with appropriate provincial authorization and supervision, to conduct broad programs of urban renewal. Since the early 1940's—1944, I believe—the National Housing Act has offered aid to municipalities to acquire and clear worn out or substandard areas for urban redevelopment. The federal government has been willing to pay half the cost of buying and clearing blighted property, but there is a string attached to the existing legislation. It can only be done so long as there is housing before or after on the cleared site.

The federal government has also shared with the municipalities the proceeds from the disposal of cleared land. I remember one very shocking piece of land with which I am familiar, known as the Bluewater area in Sarnia. The development arose out of the exigencies of war, when there was a great deal of construction. Any kind of roof was

good enough, and worse than a slum sprang up in a period of roughly ten years. These buildings have all been cleared out and removed, and under a bylaw of the city of Sarnia the property is being converted into a major new development area for industry. And so it should be because—

The Chairman: I am sorry to interrupt the minister but his time has expired unless the committee wishes to allow him to continue.

Some hon. Members: Go ahead.

The Chairman: Is it agreed?

Some hon. Members: Agreed.

Mr. Nicholson: This area in Sarnia has been cleaned up and it is now being offered to industry. But there are other areas in many cities where it may be that the land should not be put to industrial purposes but should be residential. The provisions of the old act have encouraged five provincial governments and several municipalities to work along these lines. Altogether some 600 acres of urban land—and that is a lot of property—are either cleared or subject to a redevelopment program that involves slum clearance by bulldozer. Some $70 million has been or is being spent for the demolition of properties in these areas.

Municipal plans for redevelopment of cleared areas have led to the construction of a few public housing projects and the setting aside of land for parks and recreational purposes, all of which is commendable, as well as for commercial purposes. These redevelopment efforts reflect the concern of all three levels of government about the gradual spread of slums and blight and the ensuing depreciation that comes from slum areas and affects properties adjacent to slum areas.

I have spent a fair amount of time during the last two and a half months visiting some of these areas and considering reports that have come in to Central Montgage and Housing Corporation. I am firmly convinced that the course embarked upon by the late minister of national revenue when he put the N.H.A. resolution on the order paper during the first session of this parliament will commend itself to all members of the house. The plans included in the proposed new legislation call for the redevolpment of areas which would lead to the construction of public housing in some areas as well as commercial development in the same areas.

As I said before, these redevelopment efforts reflecting the concern of municipal governments can now be directed toward all these objectives. I say that for this reason. If studies are made of the data to which I have referred earlier they will show that the average cost of clearing an acre of land in a municipality is roughly $100,000. That is the average cost; but in our two major cities, Montreal and Toronto, the average cost is $300,000 per acre. Under these circumstances it becomes necessary or advisable for the federal government to move in and assume a major share of the cost and, as is proposed by this legislation, lend money to municipalities or in some cases make funds available through grants to correct the situation.

May I call it ten o'clock, Mr. Chairman, or would you like me to continue and finish my statement tonight?

Progress reported.

BUSINESS OF THE HOUSE

Mr. Churchill: Mr. Chairman, I should like to ask the acting house leader about the business for tomorrow. If he can also give us a hint with regard to the business for Monday it will be very helpful to any who may be called away on urgent business. I understand that the house leader would like to pass the resolution stage preceding the bill to amend the Farm Credit Act without debate. We think that is a sensible suggestion and we agree to it. We are quite prepared to do the same thing with regard to the resolution preceding the bill to amend the Export Credits Insurance Act. The bills will then be before us at the next stage and we would have the debate then, rather than on the resolution stage.

Mr. MacNaught: Mr. Speaker, on the understanding contained in the remarks of the hon. member for Winnipeg South Centre, tomorrow the first item of business will be the resolution preceding the measure to amend the Farm Credit Act, and then the resolution preceding the measure to amend the Export Credits Insurance Act. This is on the understanding that they will go through without any debate. If that is not the understanding—

Mr. Knowles: I wonder if I may say just a word? The house leader did speak to me, at any rate, about the first of these items. I have conducted the necessary consultations to join in the agreement so far as the Farm Credit Act resolution is concerned. Possibly we can make some other arrangement with regard to the other, but that had not been put to us yet.

Mr. Patterson: We find ourselves in the same position. We discussed the first resolution having to do with the Farm Credit Act, but not the Export Credits Insurance Act. However, I feel that would be satisfactory to our group.

Mr. MacNaught: On that understanding, the first item called will be the resolution preceding the Farm Credit Act amendment. If negotiations can be worked out between the house leaders between now and tomorrow morning the next item to be called will be the resolution preceding the Export Credits Insurance Act. Then, of course, we will take up the estimates of the Department of Agriculture. On Monday we will go on with the resolution that we were discussing this evening.

PROCEEDINGS ON ADJOURNMENT MOTION

(Subject matter of questions debated under adjournment motion).

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

UNEMPLOYMENT INSURANCE—NUMBER OF REGISTERED CLAIMANTS FOR BENEFITS

Mr. H. E. Gray (Essex West): Mr. Speaker, on Wednesday last I directed the following question to the Minister of Labour:

> Would he tell the house whether the figure for April 30, 1964, in today's answer to the written question of the hon. member for St. Hyacinthe-Bagot (Mr. Ricard) represents an increase or a decrease in unemployment in comparison with April 30, 1963?

The answer to the written question to which I have just referred gave the number of registered claimants for unemployment insurance at the end of each month from May 1963 to April, 1964. I suggest that to simply set forth the figures in this way does not provide information that is really useful or meaningful to the Canadian people. I feel it is an urgent national matter and that they deserve to have this type of information at this time in a way that really indicates the true situation with regard to unemployment in our country. I suggest that a simple comparison of figures, one month with another, within the same over-all 12 month period does not do this at all.

A simple comparison of this type, for example, does not take into account the seasonal factors. It ignores the fact that for certain types of jobs unemployment tends to rise in certain months of the year and therefore unemployment in Canada has had a certain tendency to rise in the months of winter and early spring. I believe that at this time the Canadian people are watching the operations of this government. They are continually forming judgments of its activities and results.

For example, Mr. Speaker, I am sure that they are most interested in the unemployment insurance fund. They note the deficit figures reported. I think they are interested in seeing whether these figures are increasing or decreasing, whether the balance of the fund is showing a tendency to rise or to go down compared to the balance in the preceding year. They would like to see how these particular figures for the unemployment insurance fund might be linked or might not be linked with the figures for unemployment—not the way they have been given in the answer to which I referred.

I therefore suggest, Mr. Speaker, that to form a proper judgment they must have the figures for the same period in the preceding year to see what kind of job this Liberal government has been doing in fighting unemployment. For that reason I ask for the type of information that I requested in my question, so that we can see exactly what has been happening since the Liberal government came into office, in comparison with the unfortunate period when the Conservative party formed the government of this country.

Mr. J. A. Byrne (Parliamentary Secretary to Minister of Labour): Mr. Speaker, the Minister of Labour (Mr. MacEachen) has asked me to speak on his behalf this evening in an effort to clear up what does appear to be a meaningless set of figures that I gave in the answer which is recorded on page 3644 of yesterday's *Hansard*.

Mr. Ricard: You are the one who gave them.

Mr. Byrne: I would be very pleased to table the figures for the two years, that is, for the years 1962-63 and 1963-64, if hon. members would care to have me do that, and thus save time for perhaps more important matters. If that is agreed I would simply say, Mr. Speaker, that this table has been prepared with the figures supplied—

Mr. Deputy Speaker: Does the parliamentary secretary wish to have these figures printed as part of his speech?

Mr. Churchill: Where do the figures come from?

Mr. Byrne: These figures, I was about to say, were supplied to me by the unemployment insurance commission, and there is no question about them.

Mr. Nielsen: Read them out.

Mr. Byrne: In any event, if hon. members do not wish to have the figures on the record I will not have time to read them all, but I would simply state that as of May 1962 there were 263,862 persons unemployed and at the end of May 1963 there were 270,892 persons unemployed, so you can see there was a slightly larger number unemployed at that time.

Now I will give the other end of the scale. At the end of April 1963 there were 565,928 persons unemployed and at the end of April, 1964 there were 497,745 unemployed. You can see, Mr. Speaker, that there were 68,173 fewer persons unemployed as of the end of April this year than April 1963.

Mr. Deputy Speaker: I have to interrupt the parliamentary secretary as his time has expired.

SHIPPING—CONSIDERATION OF ESTIMATES PROVIDING FOR EMERGENCY ASSISTANCE

Mr. G. H. Aiken (Parry Sound-Muskoka): Mr. Speaker, the matter I wish to raise tonight arises out of the question I asked the Prime Minister concerning the plight of operators of small tourist establishments, marinas and marine installations on lake Huron, and especially on Georgian bay.

Georgian bay is particularly hit by the low water problem, for several reasons. First is the type of business that is operated on the bay and the limited season under which the operators have to work. There is also the fact that the prevailing winds in this area tend to aggravate the low water situation. These operators are really in a disaster area just as much as farmers with a crop failure or with a loss of markets, or workmen who are unemployed. Not only are these people in difficult circumstances themselves but they gain a large amount of tourist dollars for this country. They pay their regular income tax and in ordinary circumstances they ask for and receive no favours from the government. They are small businessmen who operate a business for a few short months of the year. They try to make a reasonable living for themselves and also they bring in tourist dollars which as we all know form a large part of the credit on exchange with other countries. These people are now in difficulty. They must stay in business both for their own livelihood and for the benefit of our tourist industry and national economy. If they go out of business and lose their customers it might be a long time before they recover.

The government has announced that aid will be provided. I am asking that the aid to be given be extended to small operators in present difficulties. Briefly, I am asking the government to include in the estimates which the Prime Minister (Mr. Pearson) has undertaken to introduce to the house soon a grant to these operators as a disaster grant on the following bases: first, that it be granted only for the purpose of dredging, dock extension or similar work to permit small commercial enterprises whose water access has been cut-off or reduced by low water to improve their ability to operate; second, that this grant be limited to a prescribed figure in the area of $5,000 or $10,000, as a maximum. I have made a survey of a number of tourist operators in my area on Georgian bay and I believe $3,500 would be the average amount required to give these people the opportunity to recover from this disaster which has befallen them. Third, this grant could cover only out-of-pocket expenses. Fourth, it is suggested that the claims be submitted to the district marine agent or a prescribed official of the Department of Public Works who would inspect the location and verify the need for the work and the estimated cost.

This, in brief, is what I have asked. I asked the Prime Minister yesterday if any such arrangement was included in his proposal and he answered: I cannot answer that question now. I am given some measure of hope that perhaps the Prime Minister may have this in mind and I am raising the question particularly so that it will be brought in with the estimates which will be introduced. Since these estimates are being planned to meet the emergency I am hopeful that the government is meeting the request for a special spending estimate to take care of this particular situation. I know that public works are being provided for commercial navigation, but as to help for these people who are commercial operators in a small way, we are not sure. I want to draw this to the attention of the government to make sure that they are not overlooked.

[*Translation*]

Hon. J. P. Deschatelets (Minister of Public Works): Mr. Speaker, I think we all listened with interest to the observations made by the hon. member this evening.

The matter he raises is at considerable variance with the question he recently put to the Prime Minister.

The hon. member raises the case of the small tourist accommodation operators who, because of the low levels in the great lakes and Georgian bay will lose this year profits resulting from their normal operations in those areas.

I may tell the hon. member that within a few days—I do not know whether I will be in a position to do it on Monday, but surely at the beginning of next week—I shall make a statement concerning practically every aspect of what the Department of Public Works can do to offer a short term solution to those problems resulting from the low levels.

The dredging projects that the department is carrying out will undoubtedly be profitable to small operators of businesses located along navigable waters.

I wish to assure the hon. member that we will have a quite substantial sum of money in

the supplementary estimates to be brought forward shortly, precisely with a view to bringing a short term solution to those cases.

The most important thing for us—I think the hon. member will understand what I mean —is to begin by providing for ocean shipping, because we have along those rivers harbours which are the mainstay of those smaller cities. If we did not carry out dredging operations this year, those localities would become ghost towns.

That is why this matter is extremely important, something we are well aware of. We shall have, within a few days, substantial supplementary estimates.

What we shall do strictly for ocean shipping will also include those establishments and those tourist centres located along those rivers.

I hope that answers the question raised by my hon. friend.

[*Text*]

ADMINISTRATION OF JUSTICE—HOLDING OF UNITED STATES CITIZEN IN TORONTO JAIL

Mr. David Orlikow (Winnipeg North): Mr. Speaker, I rise tonight to discuss the case of Mr. Eric Hooper, not because I am concerned only with Mr. Hooper and what was obviously a tremendous injustice committed against him, but because I am concerned with the rights which all Canadians have believed were guaranteed to them and which this case demonstrates can be, and are being ignored very frequently by government departments, and particularly by the Department of Citizenship and Immigration. It seems to me that the rights which we have always thought were guaranteed to us are as follows: First, the right of a person accused of a crime to be charged within a very short period of time after he has been detained; second, the right of a person to have counsel; third, the right of a person charged not to be intimidated by the government officials questioning him; and fourth, the right of a person accused to be arraigned before a judge or a magistrate within 24 hours.

Mr. Hooper was arrested on February 16, apparently because it was charged that he had assaulted his estranged wife. That charge was dropped in a fairly short period of time; but instead of being released from the Don jail he was held for 96 more days until he was brought before a magistrate. Then when he was brought before the magistrate he was charged with a very serious offence, and I quote from the charge:

—you unlawfully refused to answer a question put to you, under section 50 of the Canada Immigration Act.

But, Mr. Speaker, the questions he refused to answer were asked of him on March 23. Why was this man held in the Don jail from February 16 to March 23 when the hearing was held? I think one of these days—

Mr. Nielsen: Sixty days of decision.

Mr. Orlikow: —the minister is going to have to face up to the problem of these people in difficulties with the immigration department being held in places like Don jail, Bordeaux jail and others which I hope the minister will tell us about at an early time.

After the hearing was held it took them another nine weeks before his case was brought to court. I should like the minister to tell the house and the people of Canada how much longer it would have taken had not this man finally got word to a lawyer that he was being held for this length of time. If the Toronto newspapers had not carried this case as a front page story, would this man have been held another 96 days or 196 days? This is a very important question. I wonder whether the immigration officials or the minister think for one moment that Mr. Hooper would have stayed in jail for nine days, let alone 96 days, had he had the money to get a lawyer. I wonder whether Mr. Hooper would have stayed in jail for this period of time had his colour been white instead of black. It seems to me that here is another case of one law for the rich and another for the poor.

At the immigration department board of inquiry held in the Don jail, Mr. Hooper claims he refused to answer questions until he got a lawyer. The Minister of Justice denied that today but I think this claim is worth looking into. Mr. Hooper claims that one of the immigration officials at this hearing told him—and I am quoting from Mr. Hooper's words as reported in a Toronto newspaper—"You'll rot here till you're ready to talk". I suggest that Mr. Hooper should have been kept in Canada long enough to find out whether the words he alleged were used were in fact true. Because if they were, the official who used those words should have been fired immediately. Instead, the department then got busy and got him out of the country so that we could not get the real facts. There is no other reason for moving quickly at the time they did.

Mr. Hooper rotted in the Don jail for 57 days until a charge was laid on May 19. Then he appeared in court a week later only to be sent back to jail because the case was remanded. Why was the case remanded? Because after all this period of time the department did not hire a lawyer to represent them until the day the case came to

court; and of course the lawyer needed time to study the case. Surely the department could have hired a lawyer a little earlier, and surely they could have hired a lawyer who was not so busy that he did not have time to look into the case properly. But obviously the department were not worried about Mr. Hooper. I think that some of the departmental officials should be sent to jail for a week to see how they feel about it; and after that they might have a heart, which they do not seem to have now.

The case was to be heard on a Monday. On the Monday the magistrate freed the prisoner on his own recognizance. The department then acted quickly. Mr. Hooper was seized, taken back to jail and deported. After all those weeks why not let Mr. Hooper stay in Canada until the facts could come out? What was the department afraid of, and for whom were they covering up? How many other people are there locked up? The lawyer who acted for Mr. Hooper is quoted in both of this evening's Ottawa newspapers as saying that he understands there are ten other people held on the instructions of the immigration department in the Don jail who have been there for more than a month.

Mr. Deputy Speaker: I must interrupt the hon. member but his time has expired.

[*Translation*]

Hon. René Tremblay (Minister of Citizenship and Immigration): Mr. Speaker, first, I should like to clarify some facts stated by the hon. member, regarding the number of people detained in our Canadian jails under the Immigration Act.

According to information obtained today from the department, only 16 people at the present time are being detained in Canada for deportation purposes, under the Immigration Act. Out of those 16 people—

One hon. Member: For how long?

Mr. Tremblay: —six have been detained for more than 30 days.

An hon. Member: Why?

Mr. Tremblay: There are two main reasons why those six people are being detained: they may have taken legal proceedings to have the order of deportation issued against them quashed and their right to stay in Canada recognized or arrangements may be under way with the various countries concerned to secure their authorization for the deportation of some of those people to the countries where they are to go.

That is a first correction. Now, the Minister of Justice (Mr. Favreau) has given all the facts relating to the case and it stands out that the proceedings which were first taken before the Ontario courts took some time. The officials of the Department of Citizenship and Immigration came into the picture only when it was decided to withdraw the charge laid against Mr. Hooper.

The longest period runs between March 23 and May 5. What happened during that time? An investigation was made. Mr. Hooper was called and refused to answer. The investigation was postponed for a few days; he was called again and again he refused to answer. Then it was pointed out that Mr. Hooper was married to a Canadian woman and that he had a child here. The case thus became very important and was referred to the department for consideration. The department needs three weeks to study thoroughly the case of a person who has someone in Canada, a wife and a child were involved in this case. The investigation continued and in view of what came to light, the department decided that proceedings were justified. On May 5, at the department's request, proceedings were instituted against Mr. Hooper.

It is from that time that two appearances are made before the courts. Adjournments are requested, as is done in many cases.

I would state, therefore, that Mr. Hooper was held prisoner under Canadian laws and enjoyed all the privileges granted to a Canadian resident, even though he is not a Canadian citizen, but an American citizen. Therefore, in the case of Mr. Hooper, there has not been any undue delay, but in the future proceedings initiated by the Department of Citizenship and Immigration will always be as expeditious as possible, and we shall always show the greatest respect for those who reside in Canada, even illegally, and even for those who must be deported for having violated our laws.

[*Text*]

Mr. Douglas: Ninety six days in jail without a lawyer. Liberal freedom.

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

HOUSE OF COMMONS

Friday, May 29, 1964

The house met at 11 a.m.

HOUSE OF COMMONS

PRESENCE IN GALLERY OF PROVINCIAL SPEAKERS

Mr. Speaker: Order. May I direct the attention of all hon. members to the fact that sitting in the Speaker's gallery today we have Speakers or their representatives from nine of the ten Canadian provinces.

Some hon. Members: Hear, hear.

Mr. Speaker: They are here in Ottawa to attend the two day conference of the Canadian area council of the commonwealth parliamentary association, and I am sure everyone is honoured by their presence today.

PRIVILEGE

MR. DIEFENBAKER—PICTURE AND ARTICLE IN MONTREAL "GAZETTE"

Right Hon. J. G. Diefenbaker (Leader of the Opposition): Mr. Speaker, I wish to rise on a question of privilege so there will be no misconception or distortion by misrepresentation later on as to what took place. I warn hon. members against accepting at face value a report appearing along with a photograph in this morning's Montreal *Gazette* to the effect that I explained certain matters of public interest to a meeting in the city of Ottawa from a rostrum described as being "draped with a union jack".

I have no objection to the picture, in which I am as attractive as I am usually depicted to be. But I would point out that the flag on the rostrum was the red ensign, though the only portion shown in the picture is that portion of the red ensign which consists of the union jack. With the statement that I had discussed certain issues of public affairs before a fine audience which gave close attention, I am in agreement, but the flag in question was the red ensign authorized by order in council in April, 1945, and continued since as the Canadian flag in general use within Canada and throughout the world.

Hon. Paul Martin (Acting Prime Minister): I am sure we all sympathize greatly with the Leader of the Opposition over the pictorial representation of his person which appeared in the *Gazette* this morning. I think the Prime Minister—

Some hon. Members: Oh, oh.

Mr. Martin (Essex East): —or the Leader of the Opposition would both recognize the embarrassment to which the Leader of the Opposition has been subjected. But what I rose to say is this. I cannot understand why the Leader of the Opposition should have risen this morning and affirmed to this house and to the country his embarrassment at having had his picture taken alongside the union jack.

AGRICULTURE AND COLONIZATION

CONCURRENCE IN FIRST REPORT OF STANDING COMMITTEE

Mr. Russell C. Honey (Durham) presented the first report of the standing committee on agriculture and colonization, and moved that the report be concurred in.

Motion agreed to.

CANADIAN FLAG

MANUFACTURE OF FLAGS AND PINS WITH MAPLE LEAF DESIGN

On the orders of the day:

Right Hon. J. G. Diefenbaker (Leader of the Opposition): The question I am about to ask is one that is urgent because it involves the privileges of the House of Commons. I ask the Minister of Defence Production whether it is a fact that the sum of $90,000 has been set aside in his department for the manufacture and procurement of one of the two flags in the resolution, that is the maple leaf flag, before this matter has been discussed by parliament.

Hon. C. M. Drury (Minister of Industry): I am unaware of this. I would be glad to take the question as notice.

Mr. Erik Nielsen (Yukon): May I ask a supplementary question. May I ask the Minister of Industry whether his department or any other department of government leaked the information to any manufacturing concern

before the introduction of this resolution introducing the three maple leaf design, so that pins, such as the one I hold in my hand, of good quality could be manufactured at a cost of several thousand dollars?

I have a further question, sir. Has the manufacturing concern involved in the production of this pin paid any money to the government for this prior information?

Mr. Drury: There has been considerable speculation regarding the design which has been proposed to parliament. I can say with assurance that no money has been received by the Department of Defence Production or the Department of Industry in respect of any information provided by them to any manufacturing concern. I would hope that if the hon. member has any evidence of such a payment by a manufacturer, he would bring it forward rather than by insinuation—

Some hon. Members: Shame, shame.

Mr. Drury: —endeavour to cast a slur upon a government body of which he is a representative.

Mr. Nielsen: I have a further supplementary question for the Minister of Industry. By way of explanation I might say that this pin was in existence eight days ago, well before the introduction into this house of the resolution concerning the maple leaf design. It seems to me in view of what the Minister of Justice said last night—

Mr. Speaker: Order; the hon. member well knows that this is not the time for speeches. If he has a question he may put it.

[*Translation*]

Mr. L. J. Pigeon (Joliette-L'Assomption-Montcalm): Mr. Speaker, I wish to direct a supplementary question to the Acting Prime Minister. Does the Prime Minister's representative intend to use his prestige and his influence to convince the government, including the Minister of Justice, that Canada should have only one flag and not two, three or four?

Hon. Paul Martin (Secretary of State for External Affairs): Mr. Speaker, the hon. member knows very well that when that proposal is submitted to the house all those matters will be discussed. For the time being I think that questions such as that asked by the hon. member should be considered as an effort on his part to embarrass the government. But the fact remains that it is the hon. member himself who is greatly embarrassed by the step taken by the present government.

[Mr. Nielsen.]

Mr. Pigeon: Mr. Speaker, I wish to ask a supplementary question of the Acting Prime Minister. Does he not feel that his government is embarrassing all the people of Canada, including the Minister of Justice, by wanting to give two flags to Canada?

Mr. Favreau: Mr. Speaker, on a point of order—

Mr. Speaker: Order. I was just about to speak to a point of order myself, if I may put it that way. Standing order 39 (1) reads, in part:

—but in putting any such question or in replying to the same no argument or opinion is to be offered—

Mr. Churchill: Then, Mr. Speaker, will you reprimand the Acting Prime Minister for his extraneous statement?

Mr. Pigeon: We face the same old bunch.

Mr. Nielsen: A supplementary question.

Mr. Speaker: Is this a real supplementary or is it a continuation of the argument?

Mr. Nielsen: I have a valid supplementary question, Mr. Speaker, and I direct it to the Acting Prime Minister. Has the government consulted with the government of Great Britain on the propriety of the Canadian government introducing into the parliament of Canada legislation dealing with the flag of another country, namely the union jack, which is the flag of the United Kingdom and is outside the territorial jurisdiction of this parliament?

Mr. Martin (Essex East): Mr. Speaker, this question and all related questions will be discussed and dealt with at the appropriate time, and that is when the matter is before the house.

Mr. Nielsen: Then may I direct this supplementary question to the Minister of Justice, because I think it is urgent to establish this before the debate on the resolution takes place. Has the government secured a legal opinion on the question of this resolution, dealing as it does with the flag of another country and thus being ultra vires this parliament?

Mr. Speaker: Order.

Mr. Pigeon: This is a proper question, Mr. Speaker.

Mr. Speaker: The Chair is always happy to receive advice. On the other hand the Chair has a responsibility, and under the orders given to me by the house may I recall to the

attention of the hon. member who has just spoken that such questions should not require answers involving legal opinions.

Mr. Nielsen: But my question to the Minister of Justice was, has the government secured a legal opinion on the question of this resolution from the law officers of the crown—

Mr. Speaker: Order, please. Whether the question is direct or indirect it still adds up to the same thing.

Mr. Nielsen: With great deference to Your Honour, I am not asking the minister—

Some hon. Members: Order.

Mr. Nielsen: If hon. members opposite would cease their howling I would be able to put my point to Your Honour. I am not asking the Minister of Justice for a legal opinion. All I am asking is whether the government has secured an opinion from the law officers of the crown as to whether the action taken in this resolution is intra vires of this parliament. Has the government secured such an opinion?

Mr. Speaker: I am sorry; perhaps the hon. member has a greater knowledge of the law than I, but if the answer were to disclose that an opinion had either been given or not been given, and if an opinion had been given, its disclosure involves a legal opinion. Therefore the question is out of order.

PROCEDURE TO BE FOLLOWED AFTER ADOPTION OF RESOLUTION

On the orders of the day:

Mr. Donald MacInnis (Cape Breton South): I have a question for the Acting Prime Minister. I wish to ask him under what authority there is now being flown on the lawn of parliament hill, on a flagpole about 15 feet in length, a large replica of a new and, of course, presently unauthorized flag.

Hon. Paul Martin (Acting Prime Minister): I would not wish to answer in a way which would suggest there is not absolute freedom for Canadian citizens in this country—

Mr. Diefenbaker: On parliament hill?

Mr. Martin (Essex East): I think parliament hill is part of Canada.

Right Hon. J. G. Diefenbaker (Leader of the Opposition): I now ask the Secretary of State for External Affairs what the government intends to do if the resolution on the flag—on the two flags—is passed by parliament. What course is to be taken by the government?

Some hon. Members: Order paper.

Mr. Diefenbaker: Does somebody say "order paper"? I want parliament to have this information. I am asking what course is to be followed, what steps will be taken then. Will there be an order in council which in turn would authorize a royal proclamation to issue providing that the royal union flag, generally known as the union jack, shall be recognized as the symbol of Canadian membership in the commonwealth and Canadian allegiance to the crown? Is that the course the government intends to follow?

Mr. Martin (Essex East): I have already indicated that questions of this type will be dealt with at the proper time when this matter is formally before the house. No one knows this better, or should, than the right hon. gentleman.

Mr. Diefenbaker: That is fine. Now I rise on a question of privilege and point out that this information which is being denied to parliament was given to Premier Smallwood in a telegram. The hon. gentleman gives me a lesson in deportment, yet does not know that in the last two days his own government has given this information to Premier Smallwood. Now I intend to read the telegram which was sent by the Prime Minister to Mr. Smallwood and ask the minister whether parliament is to be pushed aside and the information given elsewhere.

Mr. Martin (Essex East): On a point of order, the right hon. gentleman is now, I understand, about to read a telegram sent by another individual—

Mr. Diefenbaker: "Another individual"?

Mr. Martin (Essex East): I am using the right hon. gentleman's language. I suggest to you, Mr. Speaker, that this is a most unusual situation—

Some hon. Members: Hear, hear.

Mr. Martin (Essex East): I ask you if it is not clearly established from what the right hon. gentleman has already said that he is altogether out of order.

Mr. Diefenbaker: No.

Mr. Martin (Essex East): The right hon. gentleman is out of order in the way in which he is proceeding. If he resorts to the proper course there is a way in which he might be able to put himself in order. I hope he will not mind my making the suggestion. But at the present time he is clearly out of order.

Mr. Speaker: Order. I understand the Leader of the Opposition is taking responsibility for the telegram he is about to read?

Mr. Diefenbaker: I certainly am. I am asking what business the minister has to deny parliament the information which has been given to Premier Smallwood. I read fom the telegram which was tabled yesterday in the Newfoundland house of assembly by Premier Smallwood. It is directed apparently, to Premier Smallwood and it begins:

> You have asked me for an explanation of the course which will be followed by the government if the motion is adopted to authorize the government to provide that the royal union flag generally known as the union jack may continue to be flown as the symbol of Canadian membership in the commonwealth of nations and of our allegiance to the crown.

Now here is the significant information which has been denied to us:

> The steps which would then be taken would be to recommend an order in council which in turn would authorize a royal proclamation to issue providing that the royal union flag generally known as the union jack shall be recognized as the symbol of Canadian membership in the commonwealth of nations and the allegiance of Canada to the crown.

I am asking the minister why parliament is being denied the information which has been rendered available to Mr. Smallwood.

An hon. Member: That information was given to parliament.

Mr. Diefenbaker: I do not think those members down there who are interrupting me have even heard about this. They have not been told. I will ask further questions in this connection after the minister has given his answer and given parliament the same kind of information which, up to now, he has denied should be made available to us.

Mr. Martin (Essex East): The right hon. gentleman knows that parliament has not been denied any information.

Mr. Diefenbaker: Certainly it has.

Mr. Martin (Essex East): What I have said today, and what I propose today, is that in accordance with our rules any question having to do with this matter should be discussed when the subject is formally before the house. This is the clear practice, and what my hon. friend is saying does not either abridge or fail to justify the course that is being taken. These questions are being put by my hon. friend not because he wants information but because he hopes by these questions to cause confusion and disunity. That is his obvious intention and it must be clear that in the interests of orderly discussion we must await the time when the matter is properly before this house.

Mr. Diefenbaker: I have the right of reply, in view of the gratuitous statements made by the hon. gentleman. He cannot hide behind a smokescreen.

Mr. Martin (Essex East): I rise on a point of order.

Mr. Diefenbaker: I have the floor, and I am not going to have any interruptions.

Mr. Martin (Essex East): Mr. Speaker—

Mr. Speaker: Order, please. I understand that the right hon. Leader of the Opposition is speaking to a point of privilege, and I understand that the Acting Prime Minister wishes to raise a point of order.

Mr. Martin (Essex East): Mr. Speaker, my point of order is this. I indicated that I did not mind having questions put, but the hon. gentleman has no right to get up and lecture this house.

Some hon. Members: Oh, oh.

Mr. Martin (Essex East): We are now on orders of the day, so let the right hon. gentleman put his questions and he will get replies. But I do not want, and I do not propose to take any lectures from him.

Mr. Diefenbaker: There we have in the clearest terms an indication of the attitude of this government; their divine right. He just finished telling us what we should do, but we are not to reply. "When I ope my mouth, let no dog bark"; that is the attitude of the hon. gentleman.

Now that he is so desirous of giving information, I ask him this. What is the course to be followed? Is the Smallwood telegram a revelation as to what course the government is going to follow or is it not? Will there be an order in council confirming the union jack as one of the two flags of Canada? Is that the government's intention?

Mr. Martin (Essex East): I cannot add to what I have already said on this question. I believe this question, and questions like it, should be put at the appropriate time, and when that is done my hon. friend will be given the fullest explanation, an explanation which I believe he now really understands.

Mr. Diefenbaker: Does the hon. gentleman admit that the confusion is in his own mind and he has no knowledge of this whatever?

Mr. Speaker: Order. It does seem to me that we have had a long discussion. I very much doubt if this was a question of privilege. In any event, the question has been asked and if the answer is not satisfactory, perhaps the adjournment debate is the proper time to raise it again.

Mr. Diefenbaker: I ask the hon. gentleman now, would he table in the house this afternoon this telegram which was tabled yesterday in the Newfoundland legislature, so that parliament may have before it what has been available to a favoured premier?

Mr. Martin (Essex East): Mr. Speaker, since the hon. gentleman has been so temperate in the question that he has just put to me, and since he has already tabled the telegram—

Mr. Diefenbaker: No, there is a lot more.

Mr. Martin (Essex East): —I will give consideration to this request which has been put in such a friendly and polite manner.

Mr. MacInnis: Mr. Speaker—

Some hon. Members: Oh, oh.

Mr. MacInnis: Mr. Speaker, in all fairness to members in the house I think it is about time some action was taken on these remarks that are made every time I rise to ask a question. You have informed me before that at no time would I be given the opportunity to waste the time of the house. I will insist that this persistent hissing from the opposite side when I rise to ask a question be stopped. I will continue to stand on my rights in connection with this matter and delay. I do not care how many charges they want to make, I am not going to stand for this kind of treatment.

Mr. Speaker: Order, please. The hon. member was accorded the courtesy, if I could put it that way, of asking a question. The hon. member must realize that to abuse the Chair is absolutely against the rules, against the customs and against the traditions. Furthermore I must tell the hon. member now that the Chair does not have to recognize a member. This is one particular privilege, thank goodness, given to the Chair.

Mr. MacInnis: In answer, I may say that I do not mind any interjections or any remarks made while I am preparing to ask a question. However, this continual hissing is an insult to the Chair. If I feel, as a member of the house, that I am being insulted I do not see any reason why the Chair itself should not consider itself insulted. Remarks or interjections I do not mind, but these continual interruptions that are going on over there, I think it is about time the Chair recognized them.

My supplementary question, Mr. Speaker, is directed to the Acting Prime Minister. He referred to the lectures being given, and that is all I am going to say about that. However, he reminded me that parliament hill is also part of Canada. My question to the Acting Prime Minister is, will all the supporters of the 3,000-odd new flag designs that have been sent forward also be given the privilege of displaying their flags on parliament hill whenever they choose, as is being done today with another design?

Mr. Martin (Essex East): Mr. Speaker, I am happy to say that we live in a country where freedom, in the context put by the hon. member, is not being denied to any section of this country.

Mr. Diefenbaker: It is not? Refer to the minister of citizenship.

[*Later:*]

Mr. H. Russell MacEwan (Pictou): Mr. Speaker, may I ask the Acting Prime Minister whether the two proposed new flags will be designated as "one for show and one for Joe"?

Mr. Martin (Essex East): Mr. Speaker, that question will be dealt with at the right time.

ADMINISTRATION OF JUSTICE

REPRESENTATION BY COUNSEL OF PERSONS DETAINED FOR DEPORTATION

On the orders of the day:

Mr. T. C. Douglas (Burnaby-Coquitlam): Mr. Speaker, I have a question for the Minister of Citizenship and Immigration. Last night he told the house that 16 persons in Canada were being detained for deportation purposes, six of whom had been in detention for over 30 days. May I ask the minister whether all these 16 persons have had the benefit of legal counsel?

[*Translation*]

Hon. René Tremblay (Minister of Citizenship and Immigration): Mr. Speaker, I feel that any person who is arrested in Canada has the right to be represented by counsel before the court.

Mr. Speaker, while I am on my feet I should like to reply to the question which was put to me last Wednesday by the hon. member

for Greenwood (Mr. Brewin) concerning the number of people who are detained in jail pending their deportation.

In various centres throughout Canada, sixteen persons are being held pending their deportation. Six of them have been in custody for over 30 days. In each of these cases, the detention is due either to steps taken by the individual himself or by someone else on his behalf to prevent deportation, or to arrangements being made to secure authorization of the intended country of deportation or to obtain transportation. Two of those people are to be deported Saturday, that is tomorrow. Hon. members will understand that in cases of deportation some time is needed for the normal legal proceedings at which the parties concerned can be represented by counsel, after which there is the right of appeal to an independent board. The government must also secure authorization from the country where the individual will be deported and make arrangements for transportation, even when no effort is made to fight the deportation order.

[*Text*]

Mr. Douglas: A supplementary question, Mr. Speaker. Did I understand the minister to say that legal counsel had been made available to all the 16 persons in detention?

[*Translation*]

Mr. Tremblay: No, Mr. Speaker. I said that anyone had a right to be represented in any court by legal counsel.

[*Text*]

Mr. Douglas: May I ask then, Mr. Speaker, why legal counsel was not made available to Eric Hooper?

[*Translation*]

Mr. Tremblay: Mr. Speaker, Mr. Hooper had a right to be represented by legal counsel. If he did not do so, it was his right.

[*Text*]

Mr. Eldon M. Woolliams (Bow River): May I put a supplementary question, Mr. Speaker, which may assist the minister in giving the information to the house. While these people were incarcerated were they permitted to get in touch with a lawyer? That is the point. Were they permitted by the police or other authorities to get in touch with a lawyer?

Mr. Deschatelets: Of course.

Mr. Woolliams: You say "of course"—

Mr. Deschatelets: I did.

[Mr. Tremblay.]

[*Translation*]

Mr. Tremblay: Mr. Speaker, I wonder why the hon. member is asking this question in the house. He knows very well that every person who is arrested and brought before a court has a right to be represented by legal counsel.

[*Text*]

Mr. Woolliams: A further supplementary question, Mr. Speaker. Would the minister answer why someone was incarcerated in this country for 90 to 100 days without the right to consult counsel?

Mr. Douglas: A supplementary question, Mr. Speaker. I asked the minister why Eric Hooper had not been able to get legal counsel. The minister said that such people have the right to legal counsel. I am asking why he was not allowed to exercise that right.

[*Translation*]

Mr. Tremblay: Mr. Speaker, that question might have to be answered by Mr. Hooper.

[*Text*]

Mr. Douglas: On a point of order, Mr. Speaker, the minister has no right to ask me to ascertain that information from Mr. Hooper. It is the responsibility of the minister to do so. The minister is the one who is responsible for keeping this man incarcerated for 96 days without access to legal counsel—

Mr. Woolliams: And without charge.

Mr. Douglas: —and after he has deported the man he says we can ask Mr. Hooper why he did not get legal counsel. I am asking the minister to answer the question.

[*Translation*]

Mr. Tremblay: Mr. Speaker, I rise on a question of privilege. I feel that the hon. member has no right to put into my mouth words that I have not spoken in this house. I said that Mr. Hooper was perfectly entitled to be represented by counsel. As a matter of fact, during a ten day period, I believe, Mr. Hooper was asked whether he wanted to seek legal counsel. He was granted ten days precisely to get in touch with a lawyer. A second investigation was held for the sole purpose of granting him this privilege. If Hooper did not want to take advantage of it, I do not think that my departmental officials or myself are to blame.

[*Text*]

Right Hon. J. G. Diefenbaker (Leader of the Opposition): Mr. Speaker, does the minister not think that this man having been kept in custody for 90 to 100 days, an apology

by the government of Canada is in order under these circumstances against such unfairness and injustice?

[*Translation*]

Mr. Tremblay: We had every reason for keeping this individual in prison during that period, under the Immigration Act, because it provides that, in certain cases where the security of the country or that of its citizens is involved, such an individual should be kept in prison.

[*Text*]

Mr. Diefenbaker: Mr. Speaker, now that the minister has started to give his ideas of the law, is he telling the house that the government of Canada now asserts the right to keep a person incarcerated because of the caprice of a minister?

[*Translation*]

Mr. Tremblay: Mr. Speaker, I am not a bit surprised to hear the former prime minister talk of the minister's whims where a right is involved which has been committed to the care of the latter by legislation of parliament, to implement the regulations approved by the house.

[*Text*]

Some hon. Members: Shame.

Mr. Harold E. Winch (Vancouver East): I have a supplementary question, Mr. Speaker. The minister has said that a man has this right within ten days, under Canadian law. Is the minister telling the house that Canadian justice is denied a man if he has not the money to obtain legal advice?

[*Translation*]

Mr. Tremblay: Mr. Speaker this is a second issue which is being raised and I do not think that it has any direct connection with the case that we are discussing. In my opinion, the various bar associations of Canada provide assistance to those who cannot afford to be represented before the courts.

[*Text*]

Mr. W. B. Nesbitt (Oxford): Mr. Speaker, I have a supplementary question. I was wondering whether the minister would be kind enough at the next sitting of the house on Monday to give us a report in reply to a question I asked some time ago and with regard to which I told the minister that I would be willing to wait for a reply. My question concerned the detention for over three months of a Greek seaman in London, Ontario, who was held by the department and refused counsel for that period. I believe he has now been deported, but I was wondering whether the minister would give us a report on this matter on Monday.

Mr. Churchill: Give it now.

[*Translation*]

Mr. Tremblay: I shall be very glad, Mr. Speaker, to bring down that report on Monday.

[*Text*]

Mr. David Orlikow (Winnipeg North): Mr. Speaker, I would like to ask the minister this question. Since Mr. Hooper has now been deported, will the minister or his assistants take the trouble to get a report from the counsel Mr. Hooper finally obtained through legal aid and ascertain whether he received any information that Mr. Hooper was not permitted to obtain legal counsel during the 100 days he was in the Don jail?

[*Translation*]

Mr. Tremblay: The reports are certainly going to appear in the records and I shall be very glad to table them.

[*Text*]

Mr. Orlikow: A supplementary question, Mr. Speaker. I am not interested in the files of the department; certainly the department can defend itself. But will the minister take the trouble to contact the counsel who acted for Mr. Hooper; or does he want us to do it, in which case we can debate this question for a long time when his estimates come before the house?

[*Translation*]

Mr. Tremblay: No, Mr. Speaker, I do not think that it is my duty to answer.

[*Text*]

Mr. Douglas: Mr. Speaker, the minister says it is not his duty to make counsel available and he has told the house that this man had ten days in which to obtain counsel. Statements have been made in the press that the man was denied the right to obtain counsel and that he refused to answer questions until he had obtained counsel. The minister and the Minister of Justice told the house that the man was kept in detention because he would not answer questions. The house has a right to know whether this man actually had the chance to obtain counsel; or was he kept there on the subterfuge that he would not answer questions? I think we have the right to an answer to this question. I would ask the

minister to make inquiries from the counsel the man was belatedly able to obtain, as to whether he had the opportunity to obtain counsel and refused that opportunity.

Hon. Guy Favreau (Minister of Justice): On a point of order, Mr. Speaker, four of the last five questions were formulated in such a way as to assume a set of facts which the minister could not be in a position to ascertain. I say it is against both the standing orders and regulations of this house to make a statement assuming a fact when putting a question. The only questions that are acceptable are those which ask the minister to answer something, such as "Was this man prevented from obtaining counsel?"; but not "Why was this man not allowed to obtain counsel?" That is a statement, and it is completely unfair.

Mr. Woolliams: I should like to speak to that point of order, Mr. Speaker. Perhaps the Minister of Justice will recall that I asked that very question. My question was, here we have people incarcerated and did the police prevent them from contacting legal counsel? That was the point the leader of the New Democratic party was making in his question. We want to know whether, in the face of the bill of rights of Canada, these people were denied their right to obtain counsel. One man was held between 90 and 100 days, and we are told that he was faced with a cooked-up charge under the act.

Mr. Douglas: On the point of order that has been raised by the Minister of Justice, Mr. Speaker, the minister says we are asking questions about which the Minister of Citizenship and Immigration could not possibly know.

Mr. Favreau: No, I did not say that.

Mr. Douglas: The Minister of Justice—

Mr. Speaker: Order. The minister's point was as to the form of the questions which have been asked. As to the legal form, there seems to be a great deal to be said in criticism of the way in which the questions were asked, but as to the right of members of the House of Commons to inquire into a matter affecting the right and liberty of any citizen, it seems to me that is the overriding consideration and the legality should step aside for the moment.

Some hon. Members: Hear, hear.

Mr. Douglas: Mr. Speaker, I understood the Minister of Justice to rise on a point of order in which he said that these questions were improper because they were asking the minister—

[Mr. Douglas.]

Some hon. Members: No.

Mr. Douglas: —to state an opinion regarding something which he could not possibly know about.

Mr. Favreau: Mr. Speaker, I would have been wrong if I had said that. What I said was that it is wrong to assume a fact, thus making a statement, and then ask the minister why did this take place, when we do not know whether or not it did take place.

Mr. Douglas: On the point of order, Mr. Speaker, the minister is now saying that these questions have been based on an assumption of fact which has not been established. I submit that it is perfectly proper for members to ask these questions, having seen in the press statements to the effect that this man, incarcerated for nearly 100 days, was denied counsel. Surely we have a right to ask the government whether these statements are correct. All we have had from the government is a statement that the man had a right to counsel. We all know he had a right to counsel. We want to know whether he was given an opportunity to exercise that right.

Some hon. Members: Hear, hear.

Mr. Douglas: All the minister had to do was say he had been in touch with Hooper or Hooper's counsel, whom he obtained only in the last few days he was in Canada, and that he had been assured that the man not only had the right but had been given every opportunity to exercise that right and had decided not to avail himself of legal counsel. If that is the situation, of course we accept it; but we have had no such statement from the minister, and I seriously doubt that this man was ever given the chance to exercise his right to have counsel.

[*Translation*]

Mr. Tremblay: Mr. Speaker, I have already answered this question quite clearly I think.

According to the information given to me by officials of my department, Mr. Hooper was interviewed twice between March 16 and March 23. He was told twice that he could avail himself of legal counsel. He appeared before the court on March 23 and he could, at that time, have been represented by counsel.

[*Text*]

Mr. Diefenbaker: Mr. Speaker, was he not told that he was going to be kept in custody until he answered questions?

[*Translation*]

Mr. Tremblay: Mr. Speaker, according to the information on file, I am not aware that such things occurred.

[*Text*]

Mr. Diefenbaker: Will the minister look this up and get some full information, rather than the kind of information that he is trying to put before the house today?

[*Translation*]

Mr. Tremblay: Mr. Speaker, I prefer to get my information from my officials rather than from newspapers.

[*Text*]

Mr. Peters: You should be cited for contempt of parliament.

Mr. Diefenbaker: Mr. Speaker, will the minister look into this question so we can be assured that the injustice, the indescribable injustice, perpetrated here will not occur again? That is what we want to know.

Some hon. Members: Hear, hear.

Mr. Speaker: Order, please. It does seem to me we have had a pretty full discussion of this question. I think the original difficulty started in connection with the translation and a misunderstanding as to the reply of the minister, who answered in French. I think the misunderstanding may have arisen because of the English translation. It does seem to me the point at issue is very important, and I think the minister indicated that he would do considerable research and reply later.

Mr. Diefenbaker: I want to get that answer from the minister. That is what I am asking him about. Your Honour's idea of the information is exactly what I want, and I want that assurance from the minister in this house, instead of the almost insolent attitude he is assuming.

Mr. Douglas: On the point Your Honour has raised, it seems to me the minister has been asked a very simple question, whether or not officials of his department told this man he would stay in jail until he rotted unless he answered questions. Surely in courtesy to the house the minister ought at least to agree to ascertain whether any officials of his department did make such a statement and, if they did, they ought to be dismissed. If they did not, the minister ought to clear their names in this house by making a public denial.

Mr. Tremblay: Mr. Speaker, I would like to say I would be quite ready to try to assess whether it is right that those words were used by an officer of the department, but so far as I know this statement has never been made by any officer of the department. As I say, I would be quite ready to make an inquiry to ascertain whether it is right that an officer of the department said so.

Mr. Andrew Brewin (Greenwood): Mr. Speaker, I want to ask the Minister of Citizenship and Immigration a related question about the right to counsel. Has he inquired into the practice of special inquiry officers notifying people of their entitlement to the right of counsel, and then telling them it is not worth their while having counsel because in effect a decision has been made before the hearing?

Mr. Speaker: I wonder if the hon. member has any factual information in order to justify the type of question he has asked. The question is important, but it seems to me he is assuming a great deal in it.

Mr. Brewin: Well, Mr. Speaker, I have had a very wide personal experience in respect to these matters and I know this practice exists. I would like the minister to inquire into it.

ST. VINCENT DE PAUL PENITENTIARY—REMISSION OF CORPORAL PUNISHMENT

On the orders of the day:

[*Translation*]

Hon. Guy Favreau (Minister of Justice). Mr. Speaker, before prescription comes into effect and I lose my right to do so, I should like to answer the question put on May 12 last by the hon. member for Three Rivers (Mr. Balcer) concerning the remission of lash sentences at the St. Vincent de Paul penitentiary and the right of the parole board to remit or change those penalties.

Under section 18, paragraph (1) of the Parole Act, the parole board has the right to revoke or suspend sentences to the lash passed under the Criminal Code.

When a request for the suspension or repeal of a sentence to the lash is submitted to the board and the board orders an inquiry, the sentence is usually suspended while the inquiry is in progress. At the conclusion of the inquiry, the board's decision is made known to the warden of the jail where the prisoner who has applied for a remission is held, and the warden must then carry out the penalty of the lash if the board refused to remit the sentence.

During the first 64 months of operation, the board received 24 requests to remit the penalty of the lash. Of these, eight were granted and 16 refused.

The board has received eight requests during the year 1964, four of which came from the St. Vincent de Paul penitentiary, and they were refused.

Hon. Léon Balcer (Three Rivers): Mr. Speaker, I should like to ask a supplementary question.

First of all, I should like to thank the minister for having answered me this year. Could the minister tell the house when the penalty of the lash was last applied at the St. Vincent de Paul penitentiary?

Mr. Favreau: Mr. Speaker, I will gladly inquire and reply as quickly as possible this time.

[*Text*]

Mr. T. C. Douglas (Burnaby-Coquitlam): Does the minister not think the time has come to dispense with this brutal relic of a past age, and do away with corporal punishment?

Mr. Favreau: That is a question which I should like to answer, because I have my personal views on it; but unfortunately I am prevented by one of the rules recently set up by this house from giving a personal opinion, if not a legal opinion, on the matter.

Mr. Douglas: Has the government given thought to the possibility of amending the Criminal Code in this regard?

Mr. Favreau: This is one of the things which the Minister of Justice ought to have under serious consideration.

Some hon. Members: "Ought to have"?

Mr. Favreau: I try to do what I ought to do.

SECURITY PRECAUTIONS RESPECTING PERSONS CHARGED WITH MURDER

On the orders of the day:

[*Translation*]

Mr. Lucien Plourde (Quebec West): Mr. Speaker, I should like to put a question to the Minister of Justice. Does he intend to take energetic measures concerning the detention of murderers in a safe place pending their hanging, in order to prevent such incidents as the one which happened in the Dion case a few days ago, in Quebec city?

[Mr. Favreau.]

Hon. Guy Favreau (Minister of Justice): Mr. Speaker, I think I know what the hon. member who just asked this last question is referring to.

Evidently, to the extent that jurisdiction may be involved, it is my duty to do so, but as for the fact on which this question is based, I feel this case comes under provincial jurisdiction, on which I have no control whatsoever.

[*Text*]

FINANCE

ISSUE OF CREDIT BY COMMERCIAL BANKS

On the orders of the day:

[*Translation*]

Mr. Maurice Côté (Chicoutimi): Mr. Speaker, I hope you will have no objection to my digressing from the subject under discussion to direct a question to the Minister of Finance.

Following a statement made in Montreal on May 26 last by the right hon. Prime Minister to the effect that decentralization required financial means which would have to be provided under the constitution, does that mean that the royal privileges granted to commercial banks to issue credit will be withdrawn by the federal government?

[*Text*]

Mr. Speaker: Would the hon. member put that question on the order paper.

WATER RESOURCES

GRAND CANAL—AERIAL SURVEY OF JAMES BAY

On the orders of the day:

[*Translation*]

Mr. Gérard Laprise (Chapleau): Mr. Speaker, I would like to direct a question to the Minister of Mines and Technical Surveys. Could he tell us if the aerial surveys of the islands and territories around James bay, which are scheduled to start next Monday, June 1, are related to the Grand canal project?

[*Text*]

Hon. W. M. Benidickson (Minister of Mines and Technical Surveys): Mr. Speaker, could I take this question as notice.

Mr. Speaker: Would the hon. member repeat his question?

[*Translation*]

Mr. Laprise: Can the minister tell us whether the aerial surveys of islands and territories in the vicinity of James bay,

which are due to start next Monday, on June 1, will be made in connection with the Grand canal project?

[*Text*]

Mr. Speaker: It strikes me this is a question for the order paper.

NORTHERN AFFAIRS

QUEBEC—ADMINISTRATION OF ESKIMO AFFAIRS

On the orders of the day:

[*Translation*]

Mr. Gilbert Rondeau (Shefford): Mr. Speaker, I should like to direct a question to the Minister of Northern Affairs and National Resources. Could the minister tell us whether he has informed the government of the province of Quebec of his decision to keep the responsibility for northern Eskimos' education, health and welfare, as he announced in Winnipeg on Wednesday, May 27?

[*Text*]

Hon. Arthur Laing (Minister of Northern Affairs and National Resources): Well, Mr. Speaker, I am quite certain the hon. member is referring to a press report, and unlike the Leader of the Opposition I do not say that I am not prepared to accept the press report. I have never said that I have been misquoted and I am not going to start saying it now. But in addition to those things which I was reported to have said, I said other things, and I think I was inadequately reported.

Mr. Diefenbaker: You did not have the picture with it.

Mr. Laing: I did say that for the present it was our responsibility to take care of the education and welfare affairs of Eskimos and that we were negotiating with the officials of the province of Quebec to take over some of those matters which might in the ordinary course of provincial-municipal relations, relate to municipal affairs. But I agree that if the report were exactly as stated, I would have been required to advise Mr. Lévesque of a change in our policy, and so far the policy has not been changed.

Hon. Paul Martineau (Pontiac-Témiscamingue): Can the minister say how the negotiations are coming along?

Mr. Laing: Mr. Speaker, there has been a series of negotiations between my officials and those of the department headed by Mr. Lévesque in the province of Quebec, related to the possible use of some of the personnel that the province of Quebec has in the area, and related also to the possible provision of municipal services such as housing, water and electric light.

[*Translation*]

Mr. Gilles Grégoire (Lapointe): A supplementary question. May I ask the minister when the last meetings were held between the federal government and the Quebec government concerning the transfer of the administration of Eskimo affairs to the province of Quebec?

[*Text*]

Mr. Laing: Mr. Speaker, I would not want to be held exactly to the day, but my officials have met with the officials of the province of Quebec within the last week.

Mr. Erik Nielsen (Yukon): As a supplementary question, Mr. Speaker, I believe it was on March 4 that the minister made a statement in this house to the effect that a commission was going to be set up composed of Canadian government officials and Quebec government officials. May I ask has that commission yet been set up?

Mr. Laing: No, Mr. Speaker, we have not been able to come to an understanding with the province of Quebec with respect to what consultation with the Eskimos means.

PUBLIC SERVICE

INQUIRY AS TO INTRODUCTION OF COLLECTIVE BARGAINING

On the orders of the day:

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I direct a question to the Minister of Finance. In view of his statement on Wednesday night to the national joint council of the public service that collective bargaining for the civil service must be recognized as one of tomorrow's facts of life, can he say when it will be "tomorrow" for the civil service?

Hon. Walter L. Gordon (Minister of Finance): Mr. Speaker, I do not remember making a statement in exactly those words. I think I was much more likely to have said today's fact of life.

Mr. Knowles: Then can the minister say when this fact of life will become a reality for the civil service?

Mr. Gordon: Just as soon as the procedural details can be worked out and, as I expect

my hon. friend knows, they are making considerable progress in that direction.

TRADE

FEDERAL PARTICIPATION IN INTENSIFIED WORLD CRUSADE

On the orders of the day:

Hon. Mitchell Sharp (Minister of Trade and Commerce): Yesterday the hon. member for Saint John-Albert asked me about a speech made by Hon. George Hees. I have now had the opportunity of reading this speech, which was sent to me by the hon. gentleman. It is an excellent speech and I commend it to my hon. friends. He asked me whether we were participating in the new and intensified world trade crusade. I draw to his attention the fact that in the month of April, as will be seen from figures released today, exports were up 27 per cent over last year. The figures for the first four months were up by 21 per cent.

Mr. Thomas M. Bell (Saint John-Albert): Then I take it from the minister's remarks that there is no truth in the statement that there is a billion dollars worth of trade for the government if they were to go out and get it, and that the government are not going to do what Mr. Hees did in 1961 but are going to remain on the seat of their pants.

Hon. J. W. Monteith (Perth): I should like to ask the Minister of Trade and Commerce a question in relation to an answer he gave a short time ago. I think he referred to an increase of 27 per cent in exports during the month of April. He seemed to have these figures at his fingertips, and I wondered if he also had figures concerning imports. Was there any increase in imports during the same period?

Mr. Sharp: The figures for imports are not out for the month of April. This is just the first release. I think they will be up; they have been up substantially. Fortunately exports have been up a bit more.

[*Translation*]

Mr. Georges Valade (St. Mary): Mr. Speaker, I should like to put a question to the Minister of Trade and Commerce. Could he tell us whether the surplus of Canadian exports is due to the devaluation of the Canadian dollar and whether he intends to maintain that policy for a long time yet?

[*Text*]

Mr. Speaker: Order, please. This is a question for the order paper. In explanation to the hon. member before he rises on a point of order, I would point out to him that questions should be such as not to raise a matter of policy too large to be dealt with as an answer to a question.

Mr. Valade: Then I should like to debate this question at the next opportunity.

ADDRESS BY MINISTER TO U.S. INVESTMENT GROUP

On the orders of the day:

Right Hon. J. G. Diefenbaker (Leader of the Opposition): I should like to direct a question to the Minister of Trade and Commerce in connection with his visit to New York yesterday by jet star. It is stated in the press that he had talks with United States investment dealers. Would the hon. gentleman tell the house whether he advised them that the restrictive policies of the Minister of Finance and the government are going to be changed, or what was the nature in general of the revelations which he made to the investment brokers?

Hon. Mitchell Sharp (Minister of Trade and Commerce): Mr. Speaker, I should like to assure the right hon. gentleman that the discussions I had with one of the most distinguished groups of Americans I had ever met were most amicable. Relations between Canada and the United States have never been better. I received no particular criticism at that time of any of the policies of the Canadian government.

Mr. Diefenbaker: Mr. Speaker, after those self flattering remarks on the part of the hon. gentleman would he tell parliament what he was there for? Was he taking the place of the Minister of Finance to secure further investment in Canada by United States investors, or what was the purpose of his visit?

Mr. Sharp: Mr. Speaker, all I can say is that I was greatly flattered to have this invitation. I have not yet been able to understand why I in particular was selected, but I found a very warm welcome waiting for me for which I was very grateful.

INQUIRY OF THE MINISTRY

On the orders of the day:

Mr. R. Gordon L. Fairweather (Royal): I have a question for the Acting Minister of National Health and Welfare. Will the minister convene a seminar where the facts of life can be gently explained to, but not so

as to offend the sensibilities of, the members of the Rideau club?

Mr. Speaker: Order, please. I must suggest—

Mr. Martin (Essex East): I will see that the question is passed on.

Mr. Speaker: —to the hon. member that this question is out of order.

CANADIAN CONSTITUTION

REPLIES FROM PROVINCES RESPECTING PROPOSED CHANGES

On the orders of the day:

Mr. George Muir (Lisgar): Mr. Speaker, I wonder whether the Acting Prime Minister can now give me an answer to the question I asked him yesterday with regard to the number of provinces which have replied to the federal request for co-operation in the changes to the constitution to precede the Canada pension plan.

Hon. Paul Martin (Acting Prime Minister): Mr. Speaker, I cannot give an answer today but I hope to be able to give it on Monday.

HOUSE OF COMMONS

INQUIRY AS TO SUMMER RECESS

On the orders of the day:

[*Translation*]

Hon. Paul Martineau (Pontiac-Témiscamingue): Mr. Speaker, I wish to direct a non-controversial question to the Minister of Justice. In his capacity as leader of the house would he tell us whether a date has been set for the summer adjournment of the house?

Hon. Guy Favreau (Minister of Justice): Mr. Speaker, I feel that the more progress there will be with the work of the house, as is indeed the case now, the least controversial this date will be. As far as I am concerned, I am not in a position to determine exactly when it will be. I think the Prime Minister said he hoped he would be soon able to make a statement in respect to the work of the house and those measures it is most urgent to pass.

[*Text*]

FARM CREDIT ACT

AMENDMENTS INCREASING AUTHORIZED CAPITAL, MAXIMUM LOAN LIMITS, ETC.

Hon. Harry W. Hays (Minister of Agriculture) moved that the house go into committee to consider the following resolution:

That it is expedient to introduce a measure to amend the Farm Credit Act to increase the authorized capital of the Farm Credit Corporation from sixteen million dollars to twenty four million dollars and thereby to increase the maximum borrowing capacity of the said corporation from four hundred million dollars to six hundred million dollars; to increase the maximum loan limits under part II of the said act from twenty thousand dollars to forty thousand dollars; to increase the maximum loan limits under part III of the said act from twenty seven thousand five hundred dollars to fifty five thousand dollars; and to provide further for certain other changes in connection with the administration and operation of the said act.

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

The Chairman: Shall the resolution carry?

Some hon. Members: Carried.

Resolution reported and concurred in.

Mr. Hays thereupon moved for leave to introduce Bill No. C-100, to amend the Farm Credit Act.

Motion agreed to and bill read the first time.

EXPORT CREDITS INSURANCE ACT

AMENDMENTS RESPECTING LIABILITY OF CORPORATION AND EXPORTERS, ETC.

Hon. Mitchell Sharp (Minister of Trade and Commerce) moved that the house go into committee to consider the following resolution:

That it is expedient to introduce a measure to amend the Export Credits Insurance Act to increase from four hundred million dollars to six hundred million dollars the limit of the liability of the Export Credits Insurance Corporation under contracts of insurance entered into under section 21 of the act; to enable the aggregate liability of importers under all instruments guaranteed by or payable to the said corporation to be increased from three hundred million dollars to four hundred million dollars; to permit the said corporation to enter into reciprocal arrangements with export credits insurers in other countries for the re-insurance of liabilities under contracts of insurance with exporters; and to provide further for certain consequential changes in connection with the administration of the act.

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

The Chairman: Shall the resolution carry?

Mr. Diefenbaker: Mr. Chairman, in taking the stand we have on this and the preceding resolution regarding the Farm Credit Act, we are indicating our regard for the need for action in both these fields. When the government brings in necessary and desirable legislation and places these matters not only on the order paper but brings them before the house, the same co-operation will be continued

providing the government is prepared to act and to bring these matters forward in a regular and proper manner.

Mr. Knowles: Mr. Chairman, we have also agreed that debate on second reading of both these measures will be sufficient.

Mr. Favreau: Mr. Chairman, may I say in the name of the government that we are very appreciative of the stand which has been taken by all parties as to these two measures.

Mr. Diefenbaker: That stand will be taken on all matters when the government acts with decision.

The Chairman: Shall the resolution carry?

Some hon. Members: Carried.

Resolution reported and concurred in.

Mr. Sharp thereupon moved for leave to introduce Bill No. C-101, to amend the Export Credits Insurance Act.

Motion agreed to and bill read the first time.

SUPPLY

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

DEPARTMENT OF AGRICULTURE

I. Departmental administration including the national co-ordinating committee on agricultural services, contributions to commonwealth agricultural bureaux and a contribution to the agricultural economics research council in an amount equal to the contributions of the provinces but not exceeding $50,000, $3,368,900.

Mr. Nielsen: Mr. Chairman, while I was away from the house the Minister of Industry and the Minister of Agriculture on May 15 again spoke to a matter which I raised initially in the debate on April 24. I will not take much of the time of the committee today, but I think some of the remarks made by both the Minister of Industry and the Minister of Agriculture deserve some comment.

You will recall that at that time an affidavit of Mr. McKay was tabled as sessional paper No. 249, a copy of which I have before me, and the affidavit of Mr. McKay would appear to be at variance with the situation as I described it partly on April 24 and partly on May 7. The Minister of Agriculture said on May 15, as found on page 3311 of *Hansard*:

I told the house several times that the hon. member's claims—

Referring to myself.

—were entirely without foundation.

He had something to say about the tactics which I employed in introducing this matter in the committee, and made certain other references about which I will not go into detail at this time. But the interesting portion of the minister's remarks is found on page 3312 of *Hansard* for that date in the left hand column, where he is reported as having said:

Our investigations also confirmed that neither I nor my officials requested that the contract be interfered with.

That is the contract with Purity Dairy.

I have, however, since May 7 learned of a matter which I did not know on that date but for which I, as the minister, take full responsibility.

This is the important sentence.

This in no way changes any earlier statement...

The matter to which the minister refers as having learned about subsequent to May 7 is the matter of requests made of Mr. Trach to cut the contract from six months to three months. As found on page 3020 of *Hansard* of May 7, which was well prior to the minister's statement I have just read from *Hansard* of May 15, he had this to say commencing at the foot of the left hand column:

I now wish to inform him that neither I nor my officials were in any way involved in contracts with the Purity Dairy for the supply of dairy products to the R.C.A.F. station Namao or the army station at Griesbach, and that at no time did I or my officials have discussions with Jacob Trach or any other member of the Purity Dairy firm with respect to those contracts.

Also on May 7 the Minister of Industry, as found on page 3021 of *Hansard*, said substantially the same thing; that there had been no discussions with Mr. Trach and no attempt at interference with the running of the full term of the contract. The Minister of Industry challenged me on May 15 to produce an affidavit from Mr. Trach. He also did so, of course, on May 7. He questioned my rising in the committee and making statements which he said were utterly without foundation, and on May 15 the Minister of Agriculture referred to the statements as completely false, utterly false and used other similar descriptions. I think "patently false" was another phrase the minister used.

The Minister of Industry went on to say, as found on page 3314 of *Hansard* of May 15:

...and I challenge the hon. member for Yukon to produce an affidavit from Mr. Trach to the contrary effect. I regret that he has been unable to do this, and perhaps in the light of his inability to do so he will withdraw his remarks.

Sir, I have for the benefit of the committee just such an affidavit, and I am going to read it. While it is perhaps not possible for members to compare the affidavits at this

time, certainly when they have the record before them they will be able to compare Mr. Trach's affidavit made under oath with that of Mr. McKay to see whether in fact I had any justification for raising the matter as I did, not as a charge but as a matter in which I felt the committee should interest itself since it involved the activities of both the Minister of Industry and the Minister of Agriculture. Mr. Trach's affidavit reads as follows:

In a matter of a certain dairy contract between Purity Dairy and defence production and in particular with Greisbach barracks and station Namao.

Affidavit of Trach

I, Jacob Trach, of the city of Edmonton, manager, make oath and say as follows:

1. That I am the manager of the Purity Dairy Company in the city of Edmonton and therefore have personal knowledge of the facts deposed by me, except where stated on information and belief.

2. That Purity Dairy Company, my firm, had and have a contract in reference to milk and ice cream with defence production to supply for a period of six months milk and ice cream to Greisbach barracks and station Namao and which contract was for the months of October, 1963 to March of 1964 inclusive.

3. Late in October of 1963 a McKay of defence production telephoned me at the Purity plant in Edmonton and we had a telephone conversation in reference to the said six month milk and ice cream contract in question.

4. In brief the said McKay said that he had been approached by Ottawa authorities in the department, and at that moment he didn't mention names, requesting that the said Purity contract with defence production be cut to three months. He stated there were certain pressures being applied and because of the said pressure he wanted the Purity Dairy Company to agree to have the contract changed from a six month one to a three month one.

5. In the same said telephone conversation I, as manager of Purity Dairy Company wanted to know under what circumstances and what legal right defence production had the right to cut our contract from six months to three. I told him this was very disturbing and that I would like to talk to him personally.

6. In the said conversation an appointment was arranged at the said Mr. McKay's office for some time in November of 1963.

7. I went early in November 1963 to the said Mr. McKay's office in the federal building, Edmonton, and a discussion between the said McKay and myself took place. There was no one present during this discussion.

In this regard I would refer the minister and members of the committee to paragraph 7 of Mr. McKay's affidavit.

8. The context of the conversation which took place during the said appointment in November 1963 in the federal building in McKay's office is as follows:

He told me that there were certain elements and certain people who stated that if we did not go for a three month contract (that is to reduce the said six month contract to three) the Department of Agriculture could make it very tough for us. He then referred to the federal Department of Agriculture at Ottawa, and in particular minister Hays. He stated he had instructions that the minister wanted the contract cut. I told him that in our opinion the said department in question could not break the contract as it was in writing and properly executed. He said there was a group of lawyers in Ottawa looking into the validity of the contract. It was just after that he mentioned the said lawyers in question that he said minister Hays, the Minister of Agriculture and the Department of Agriculture were going to take the contract from us, or at least reduce it from six to three months. Then he said, "We could, in accordance with instructions from Ottawa, find something wrong with your product, the milk in question. And from this pressure the department would make Purity Dairy Company agree to a new contract or to cancel the one it has." This would force our will.

9. The said Mr. McKay said, "I do not like to bring this up in reference to having your product declared unfit, but it is my superiors and the Minister of Agriculture in Ottawa that I take my instructions from."

10. I took it from those said statements of the said McKay that he meant his instructions came from minister Hays, the Minister of Agriculture, and the Department of Agriculture.

11. Our company did not bow to this pressure and have continued to supply milk and ice cream to both Greisbach and Namao and have since been advised by the said McKay that contracts will be rotated between various dairies when our contract has expired, all of which I verily believe to be true.

12. I only had one interview with the said Mr. McKay in his office at the federal building where the said abovementioned conversation took place and that interview lasted approximately 45 minutes and it took place in the early part of November, 1963.

Sworn before me at the city of Edmonton, province of Alberta—

Here, Mr. Chairman, I would ask committee members to note the date, to determine whether I had justification for raising this matter at the time I did:

—this 26th day of March, 1964.

This affidavit was sworn before a commissioner for oaths in and for the province of Alberta and it bears the notary's official seal as a notary public in and for the province of Alberta. The affidavit is signed "Jacob Trach".

With the unanimous consent of the committee, should they so desire I am fully prepared to table the document in question.

Some hon. Members: Agreed.

Mr. Nielsen: These charges, as I stated when I first raised the matter on April 24, were serious indeed. I put it to the committee at that time that the circumstances which I described were based on information that I had, and I took it upon my responsibility as a member of the committee to say that I had made certain that they

were not frivolous charges at all. I invited the minister to give an explanation after investigating this matter, and I said at the time—I think he will recall this—that I would hope his investigations would exonerate him and his officials. He has made a statement or an explanation on information supplied to him and the Minister of Industry by Mr. McKay, information which committee members will have no alternative but to conclude is at direct variance with the sworn affidavit of Mr. Trach.

For instance, Mr. McKay says that at no time did any discussion take place in his office between himself and Mr. Trach. There is one conflict. I invite the minister to peruse very carefully Mr. McKay's affidavit, and I think he will find it is quite conflicting both within itself and with the affidavit of Mr. Trach. Those circumstances, I feel, should be investigated by the departments concerned, and I think this committee will perhaps come to the same conclusion now.

The minister's explanation on May 15 concluded with his assertion that he wanted to see patronage eliminated in his department and in government. If that is so, why should Mr. McKay say he had received instructions, as he did in his affidavit, from the department in Ottawa to rotate the contracts? This still involves the method of selection. He said it was his practice to award contracts on the basis of the lowest cost. The only way you can get the lowest cost is to invite public tenders; and the practice in the department now is to rotate those contracts, not by inviting public tender calls but by selecting the dairy or concern that is going to supply the milk to these various users. Surely the only way to get rid of patronage in the minister's department is by inviting public tenders when requirements exist for the supply of goods and services to the government. If the minister is really serious and sincere about wanting to get rid of patronage in his department that is precisely what he will do, and eliminate or end this practice of rotating contracts to individuals or individual firms and corporations.

In the light of the affidavit which I have just read into the record and which, as I say, I will table if that is the desire of the committee, I submit to the committee through you, Mr. Chairman, that the information I supplied to the house on April 24 and on May 7 was information that I was fully justified in providing to this committee; and it was not in keeping with the proper usages of the committee or of the house for the Minister of Industry or the Minister of Agriculture to question my motive in presenting that information to the house.

I took it upon myself, as a responsible member, to put these matters before the ministers, and I did so. Because these two ministers thought I could not substantiate in any way the information I placed before the committee they became all-incensed and made charges about my tactics and my motivations in placing this information before the committee. But I invite the minister again to look at the date of that affidavit sworn by Mr. Trach—March 26—well before I raised the matter on April 24. I invite him too, sir, to reconsider the error of his ways, and when members in all sincerity and seriousness bring irregularities such as these before the committee he should take cognizance of them and not immediately jump to the conclusion, as he did, that there was nothing wrong in the situation I presented to him.

In fact both he and the Minister of Industry, subsequent to April 24 and well before May 15, made complete denials before they had information which would have placed them in possession of all the facts. The minister expressed some surprise to learn that an approach had even been made to Mr. Trach to cut the contract from six months to three months, but he has found out since that this was the fact. I invite him now to scrutinize very carefully what Mr. Trach has had to say under oath, and said under oath well before the matter was raised in this committee.

Mr. Hays: Mr. Chairman, we have two affidavits, one by Mr. McKay denying all these things and another by Mr. Trach saying they are correct. My position is that I think the house and all hon. members know what I have said, and I still feel exactly the same way. I am the Minister of Agriculture. I suppose, being a minister, you must expect some of these things. They tell me these things happen. I am not going to argue about it; I am not going to dignify the accusations made by the hon. member with a reply. I stake my reputation in the province of Alberta and the city of Edmonton against those people, and I am quite prepared to let it rest that way. Time takes care of these things.

Mr. Horner (Acadia): Elections do, too.

Mr. Hays: Mr. Chairman, I would like to get on with the estimates. I want to thank hon.

members for the consideration they have given the Department of Agriculture today in connection with the resolution on farm credit which farmers are very anxious to have and which they need, and also for the consideration given by many hon. members in connection with the debate on the supply motion the first two days of this week.

We are now dealing with the main estimates of the Department of Agriculture, and of course we are going along spending this amount of money. I would hope this afternoon that in view of the fact that we have been dealing with both the supplementary and main estimates for eight days this session—I believe this will be the ninth day—and that we do have two amendments to bills and a new machinery bill coming before the house in the next 30 days, hon. members will consider there will be a lot of time on these measures to have a full discussion on agriculture. There will be lots of time for a full discussion on agriculture on those matters, and possibly today we can get down to the details of the estimates of the department.

Mr. Nielsen: If the minister is not going to dignify the statement I made by replying to it, will he at least tell members of the committee whether he intends to take any action with respect to the obvious conflict which exists between the affidavits of Mr. McKay and Mr. Trach?

Mr. Hays: I have nothing to add to what I have already said.

Mr. Nielsen: Then may I quote, sir—

The Chairman: The hon. member has just made his speech, and we have heard from the Minister of Agriculture. We are still on the first item and the hon. member for Yukon will have an opportunity to make another contribution. I respectfully suggest we should give other members an opportunity to participate in the debate. With the co-operation of the committee I suggest that we call on the hon. member for Shefford.

[*Translation*]

Mr. Rondeau: Mr. Chairman, I thank you for giving me this opportunity to contribute to the discussion of the estimates of the Department of Agriculture. There are certainly many things to be said when discussing our farming industry, and I shall limit my considerations more particularly to the problems of eastern farming.

A few days ago the Minister of Agriculture (Mr. Hays) told us that he intended to put an aircraft at the disposal of committee members so as to enable them to visit the various provinces and see for themselves on the spot, what the farm problems are in each Canadian province. This suggestion will certainly please several committee members, and at least enable them to study new farm problems which have not yet been brought to their attention.

As far as we are concerned, in eastern Canada, we are quite familiar with farm problems, and when I think that the minister is putting an aircraft at the disposal of the committee on agriculture to make its members aware of farm problems in other provinces, I am reminded of the farmer who was taking a plane for the first time. When the plane was airborne, the farmer went to the washroom. Once there, he saw that there was a poster above the door: Do not use over towns and villages. And the farmer thought to himself: "We are the ones who will get that on the head".

Mr. Chairman, when I consider the agricultural policy, and especially the intentions which were put forward by the Conservatives, during the six years when they were in office—and I must state that several Conservative members said that their party intended to develop a feed grain policy in order to help the farmers of the province of Quebec, but that unfortunately they could not do it because they were defeated and a general election was held—I feel that we must ask the Liberal party to act as quickly as possible so that the Canadian agricultural policy will not be made only of good intentions but will also include achievements. In fact, we must remember that the road to hell is paved with good intentions, and parliament must not be the place where only good intentions are found, but also achievements.

When the Minister of Agriculture tells us that there are no more agricultural problems, that everything is fine, I have no alternative but to ask him a single question, to which I should like to have an answer. How can he explain that bird seed which, last year, was worth 14 cents a pound, cost now 42 cents? That means an increase of 200 per cent, for only one of the grains that the farmer must buy.

Mr. Chairman, I wish to support my remarks with some excerpts from the newspaper *La Terre de Chez Nous,* which is known as the official publication of the Catholic farmers' union of the province of Quebec, and especially of the French Canadian element in our agricultural class.

However, before that, I wish to pay special tribute to our Canadian farmers who, to date, have placed a plentiful production at our disposal. They produced eggs, milk, pork, butter, cheese, chicken and broilers in large quantities, as well as various vegetable products, and I feel we should recognize that fact and be proud of it. Indeed, if we profit today by such a varied and abundant farm production, we should be grateful to our farming population, which unsparingly works our soil, which is recognized as very fertile.

As for our farm production, I wish to quote an article which appeared in *La Terre de Chez Nous* on April 22, 1964. On page 24, we read this:

Plenty of eggs and chickens.

During the first two months of 1964, egg production increased by 5 per cent as compared to the first two months of the previous year. The rate of laying had increased by 6 per cent on February 1 and by 3 per cent on March 1.

For the first two months of 1964, broiler chicken production remained higher than during the same period last year. For the second quarter of the current year (April-May-June), such production is likely to exceed by about 4 per cent that of the second quarter of 1963.

Turkey.

General prospects for 1964: weak to fair increase of numbers in relation to 1963. Up to now, there has been an increase of 5 per cent in incubation of young turkeys.

Turkey meat stocks increase continuously.

All this, Mr. Chairman, goes to show that our farm production increases constantly and that we should commend our Canadian farmers for it.

But on the other hand as our agricultural production increases, we must also consider what income our farmers are getting in Canada, in the province of Quebec and more particularly in eastern Canada.

We must take a look at the income that those farmers who produce so much and so well are getting as a return for their production. And on that matter, I refer once again to the newspaper *La Terre de Chez Nous*, and more particularly to page 11 of the May 6, 1964 issue:

Fifty per cent of Canadian farmers make less than $2,500 a year.

The proportion of Canadian farmers with an income over $10,000 a year is only 10.4 per cent. But those who make up that 10 per cent own 23.4 per cent of farmed lands and provide 44.7 per cent of the whole farm production in our country.

That first group of 10.4 per cent is therefore by far the most important as regards agricultural production. That group is also the one which collects the best of government grants such as fixed acreage payments and summer fallow grants, two measures applied to date only in the prairie provinces.

[Mr. Rondeau.]

Another group, which offers a striking contrast with the first one, is the group of farmers with a gross income of less than $2,500 a year. That second group involves about half of Canadian farmers.

Now, when you consider our plentiful production and at the same time the statistics and the official reports of the Catholic farmers' union a certain anomaly is brought to light.

At the same time the income of our agricultural people is very low but in the house, there does not seem to be any other way than to offer farm loans to our farmers and to get them more and more into debt.

Again, this morning, a resolution is being moved and in a few days a bill will be put before us to increase the Farm Credit Corporation's borrowing capacity so as to enable them to grant more loans.

The farmers' credit problem is not the only important one; there is also the problem of providing them with the necessary income, proportionate to their production, so that they will be able to meet their obligations concerning these loans. On page 20 of the April 29, 1964 issue of *La Terre de Chez Nous*, it was stated:

For the first time in the history of this organization, the total amount of loans exceeds $100 million.

According to the figures released by Mr. George Owen, president of the corporation, the total number of loans approved last year amounted to 8,689, for a value of $108,009,100.

In comparing these figures to the previous record of 7,438 loans and $90,924,300 for the fiscal year ended on the last day of March 1963, we find an increase of 16.8 per cent in the number and of 18.8 per cent in the total value of the loans.

Well, it is proposed to make more loans available to the farmers without worrying too much about a farm policy that would enable them to meet their obligations. The Porter commission has also examined the matter of farm loans and here is what it suggests.

I am in complete disagreement with what it suggests concerning farm loans. In one of its recommendations, the Porter commission is advocating the increase of the interest rate the federal Farm Credit Corporation is charging on its loans, that is, that the 5 per cent flat rate be raised to the prevailing rate on the market, which is about 6½ per cent. And the commission recommends:

1. The removal of the 5 per cent ceiling on the interest rate charged by the banks;

2. The withdrawal of government guarantees as soon as the banks realize the loans are safe;

3. The increase from $7,500 to $10,000 of the maximum amount of a farm improvement loan granted by a bank. The commissioners noted that the lending rate had remained at 5 per cent since

the Farm Improvement Loans Act was first put in operation 18 years ago.

The commissioners added:

We do not believe that the banks would reduce their lending to farmers if the general mortgage prohibition were removed and the banks were permitted to lend at approximate market rates of interest which would at times exceed the present 6 per cent limit. They might be prepared to lend more freely than at the present uneconomic 5 per cent rate.

Here we have the Porter commission suggesting that, in order to assist our Canadian farmers, the interest rate on farm loans should be raised. Then, they will wonder why it is that with an average income of $2,500 for 50 per cent of our farmers in Canada, with a farm loan which it is suggested to raise to $40,000 with an interest rate of 6½ per cent, which will amount to some $2,600 in interest every year on the farm loan, that the farmer cannot meet his obligations. How can he meet them if our agricultural policy is not changed?

In *La Terre de Chez Nous* of April 15, 1964, page 3, we could read the following:

"Master of our own house". There is an almost ideal slogan for politicians. It could also be a very laudable and even a very sound objective, provided the necessary steps to reach it or at least to get closer and closer to it are taken.

For our farmers, we must recognize that such is not the case and that it is rather the contrary which is shaping up. Indeed, the farmer, because of a continually deteriorating situation and because of the failure of the leaders at the various levels to consider his lot, is less and less the master of his own business. You just have to think about vertical integration in agriculture with everything it implies and the various forms it takes, to realize that farmers are more and more at the mercy of enterprises whose interests are far from being the same as those of farmers, when they are not absolutely at variance.

Moreover, for all practical purposes, government authorities unfortunately ignore or forget altogether the problem of production credit. Indeed, there are certain forms of credit but they consist mostly in financing anew, at each generation, the farmer's property—

When we consider such basic problems as marketing and all related factors, we have the distinct feeling that some of the major officials of the department, who are supposed to look after farmers, consider with nostalgia and regret the disappearance of a regime which enabled them to grant farmers a few favours and to bring them to heel. In some cases, they do everything they can to prevent the regime from dying out.

For the time being. we would like to quote from a speech delivered recently by a former Nova Scotia deputy minister of agriculture which shows that we should open our eyes a little to find out what is happening outside our province before beaming complacently over our situation and our achievements. I quote: "Marketing, said the guest speaker, is the key to farm prosperity. Not production or anything else, but marketing. The speaker also immediately added that, for rather strange reasons, many provincial governments and the government at Ottawa preferred to turn their backs on marketing. They are instead placing more emphasis on the production and the efficiency of those they are calling "production guys". Such a policy may have its good points, said Mr. Walsh, but it cannot solve the farm problem because the farmer produces everything in abundance and very efficiently." A conclusion is obvious at this time: unless there is a radical change in the concept of the role of the various people responsible for the fate of our agriculture and unless that is truly translated into practice, in spite of the general aim proclaimed for the province, "Masters in our own house", the farmers of Quebec will become more and more "Slaves in their own house".

Mr. Chairman, may I call it one o'clock?

The Deputy Chairman: Order. As it is one o'clock, I now leave the chair.

[*Text*]

At one o'clock the house took recess.

AFTER RECESS

The committee resumed at 2.30 p.m.

Mr. Martin (Essex East): Mr. Chairman, would you rise and report progress?

Progress reported.

THE LATE SHERWOOD H. RIDEOUT

TRIBUTES TO DECEASED MEMBER

Hon. Paul Martin (Acting Prime Minister): Mr. Speaker, it is with sadness that, on behalf of the Prime Minister, I rise to speak of one of our number who passed away suddenly this morning at eleven o'clock as he proceeded on the Ocean Limited to Moncton in his constituency. I am sure that all members of this house share with me a deep sense of sorrow at the loss of one of our members from New Brunswick, Sherwood Hayes Rideout, the member for Westmorland.

Mr. Rideout was one of the younger and active members of this house. He was born in 1917. During his life he gave much to the public life of his community, his province and to Canada. Certainly, as a member of this house he served his constituents industriously and with sincerity. Mr. Rideout served as a trainmaster on the Canadian National Railways in his home community, and as such he had a special interest in transportation and trade problems of the Atlantic provinces. He was an active member of local 162 of the brotherhood of locomotive engineers. He served as an alderman in his city for two terms and became mayor of Moncton in 1961,

serving in that capacity until 1963. He was in the house yesterday and many members have told me, since we adjourned at one o'clock, that they had talked with him yesterday.

We are all the losers because of his untimely passing. We remember him as a man of devoted interests who served his country with distinction. But it was not only in the larger sphere of public life that he took part in the affairs of his people. He served them officially and unofficially, and he served organizations such as the mental health association and the retarded children's association. He was a valuable member of this party and we on this side will miss him greatly. He was a friend of all of us. Every member in this house shares my sense of sorrow as I speak of his sterling qualities.

He was a friendly man, a man with a good sense of humour. He was a practical man. We are reminded, as we speak of him in this context, of the words of Goldwin Smith who wrote:

> The men who saved the world are those who work by rule of thumb; who do the day's work by the day's light and advance on chaos and the painful dark by inches; in other words, the practical men.

To his family, his wife and his three sons, I extend the sincere sympathy of the Prime Minister, the members of the government and the membership of this house. A good man has left us, but he has left a rich memory of devoted service to his people and to his nation.

Right Hon. J. G. Diefenbaker (Leader of the Opposition): Mr. Speaker, I join with the Secretary of State for External Affairs in his expression of heartfelt sympathy of all of us to Mrs. Rideout and to the three sons on the passing of a beloved husband and father. He had served in many fields of public service. He was a kindly man. He was one of those who had a good word for everyone and whose contribution to good works was exemplified in particular by what he had done on behalf of retarded children. I think it was Edmund Burke who said that all that is necessary for the triumph of evil is that good men do nothing. He was a good man. He did what he could in his day and generation.

He served his city and he served in various organizations for the benefit of his fellow man. He had served here in parliament for a period of years and so earned what to me is the most important element in the parliamentary arena, the respect of those who, not belonging to one party, none the less have a regard for the sincerity and devotion of others. His life was given to service in a genial, friendly and generous way.

Speaking on behalf of Her Majesty's loyal opposition, I extend to the members of the government and to the Liberal party, the sympathy of those for whom I speak. We extend our sincere condolences to his loved ones on the passing of one whose loss will be felt, not only by his family but by his constituents and by Canadians as a whole.

Mr. T. C. Douglas (Burnaby-Coquitlam): Mr. Speaker, during the luncheon recess all of us heard with sorrow and regret of the untimely passing of the hon. member for Westmorland (Mr. Rideout). Although he was only 47 years of age he already had a very considerable life of public service to his credit. He had acted on the county council, on the school board, had been an alderman and more recently mayor of the city of Moncton, and he was a member of this parliament. This is a very enviable public record for a man only 47 years of age, and those of us who had the privilege of meeting him since he came to Ottawa were impressed with his friendliness and convinced that his career held great promise for the future. Now he has been cut off at this early age, and I am sure all of us feel a great sense of regret and loss.

The members of this party would like to extend to the government and all its supporters, to Mrs. Rideout and the members of the family, and to his constituents in Westmorland, our deepest sympathy at the great loss which they have sustained this day.

Mr. H. A. Olson (Medicine Hat): Mr. Speaker, on behalf of this party I wish to join with the other members in expressing our very deepest sympathy with the members of the Liberal party and to his family at the loss this morning of the hon. member for Westmorland (Mr. Rideout). Mr. Rideout came from an area and was mayor of a city which I think exemplify the way in which French and English speaking citizens can live in harmony. I think we must pay tribute to him for the various offices he held, particularly that of mayor.

In addition to that, Mr. Speaker, I feel a very deep personal loss. It may not be well known to the members of this house, but the city of Moncton and the city of Medicine Hat were twinned for the centennial celebrations which are to take place in 1967. During the past few weeks and days the hon. member and I had discussed on many occasions some of the things which we could do as members

of parliament to bring about an intermingling of the citizens of these two cities with a view to strengthening the understanding between the various regions of this country. We had decided that we were going to exchange positions for a day or for a week so that we could learn about each other's constituencies. One of the special reasons for twinning the city of Medicine Hat with the city of Moncton was because of the large French speaking population in that city.

Canada has lost a great citizen, Mr. Speaker, a citizen who could look beneath the surface and who could look into the future and try to work out some of those problems which we as a nation have. I want to say on behalf of the leader of this party and all of the members of this party that we have a very deep sense of sympathy at this time for his family.

[*Translation*]

Mr. Gilbert Rondeau (Shefford): Mr. Speaker, we join with the Acting Prime Minister (Mr. Martin) and all the other members of the house to express our deep sorrow upon the sudden death of the hon. member for Westmorland (Mr. Rideout).

He was a likable and jovial man, and always good-natured.

On the committees I had the privilege to sit with him, I had the opportunity to realize that the Lord had gifted that young member with great talents.

The house will feel for a long time the loss of a man as dedicated and hard-working as the hon. member for Westmorland. It is also a loss for the town of Moncton, which mourns the death of its mayor.

To his afflicted family we express our deepest sympathy upon the death of that model father and exemplary citizen.

[*Text*]

Hon. H. J. Robichaud (Minister of Fisheries): Mr. Speaker, I wish to join with those who have spoken, and share the sorrow of all members of this house. The news of the sudden passing of our colleague Sherwood Rideout has been a deep shock to all of us. His years of experience as an alderman, as a county councillor and as mayor of the city of Moncton had made him well prepared to serve best the constituents of Westmorland as their federal representative.

Sherwood Rideout was a devoted public servant respected by members on both sides of this house, and he was friendly to each and every one of us. Yesterday he was occupying his seat in this chamber. Later in the day he decided to go home and spend a quiet week end with his beloved wife and three children. This morning at about 11 a.m., when the conductor called at his compartment on the Ocean Limited, there was no answer. Sherwood Rideout was dead.

My New Brunswick colleagues wish to join with me in extending our deepest sympathy to the population of Westmorland county, to the citizens of Moncton city, and particularly to Mrs. Rideout and her three children. Members will be interested to know that the funeral services will take place at the First Baptist Church in Moncton at 2 p.m. Monday afternoon. Tentative arrangements are being made to have air transportation from Ottawa leaving here Monday morning to return after the funeral. Any member interested in attending the funeral of our friend and colleague Sherwood Rideout may contact my office later this afternoon for further details.

Mr. R. Gordon L. Fairweather (Royal): Mr. Speaker, as a fellow New Brunswicker and a member from the Atlantic provinces I should like to share in the expressions of sympathy which have been so eloquently expressed respecting the life of service of Sherwood Rideout. He came to this chamber at the same time as I and we shared some of the new experiences which new members have in this place. He was, as has been said, a friendly, a genial and a dedicated person, and we shall miss him.

SUPPLY

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

DEPARTMENT OF AGRICULTURE

1. Departmental administration including the national co-ordinating committee on agricultural services, contributions to commonwealth agricultural bureaux and a contribution to the agricultural economics research council in an amount equal to the contributions of the provinces but not exceeding $50,000, $3,368,900.

[*Translation*]

Mr. Rondeau: Mr. Chairman, before the noon recess I was saying that the farm situation in Canada was not too attractive, in spite of great abundance. I sketched a picture of the years to come and I also dealt with farm loans. I said that what farmers needed to solve their problems was not so much farm loans as an income in keeping with their production, which would allow them to honour their obligations. In this respect, I quoted several articles published in *La*

Terre de Chez Nous, the official organ of the Quebec Catholic farmers' union.

I should like to quote another article from the same publication. This way I do not think we can be accused of talking about this and that without consulting the experts. On page 3 of the March 18, 1964 issue, we can read the following testimonial of the general secretary:

> Agriculture on the auction block in Ottawa?...
>
> Politicians have short memories. Especially when it comes to election promises. That is a little game which served them extremely well as long as political matters remained under the exclusive jurisdiction of a few people in the know and especially the "election makers".
>
> Because of the political situation at that time, the party now in office in Ottawa was particularly generous with its promises during the last election campaign. The rural electorate whose vote is often decisive had more than its share. That is particularly true for the farmers of eastern Canada who had bared their teeth very menacingly during the last few years and especially during the last months.
>
> It is then that the Liberal party, through its official spokesman, disclosed on the national t.v. network its policy in order to settle the serious and urgent problem of supply and feed grain prices for the eastern farmers. Even if some measures have been passed in order to prevent a catastrophic deterioration of the situation, a complete fulfilment of that promise has yet to come.

For the information of my good friend from Lotbinière (Mr. Choquette), I must tell him that those are the words of the general secretary of the Catholic farmers' union. I go on quoting:

> Another positive promise of the Liberal party made by all its chief leaders to the eastern farmers was to appoint a minister to specifically look after their interests. We do not intend to go over the history of that famous department of agriculture for eastern Canada which created such a sensation during the past months and which stirred up so many conflicting statements.
>
> This is not the first retreat on the part of the present federal government. However, there are limits to retreats, to changes of opinions and to dismissal of promises. It seems that we are just about to reach these limits as far as the representation of eastern farmers' interests in the cabinet is concerned.

A little further, the author says:

> But the situation of eastern farmers is too different for them to accept as their only and privileged spokesman a gentleman farmer, who anyhow seems to be not very much concerned with their problems. They do not object to the minister acting as a public auctioneer, but they definitely refuse that their lot should be, so to speak, auctioned off.

Mr. Chairman, it is the general secretary of the Catholic farmers' union who made those remarks and who criticized the present government for not having carried out its two main promises, that is the establishment of a department of agriculture for eastern Canada and the adoption of a policy concerning the creation of a feed grain agency to facilitate the supply of eastern farmers.

I should now like to quote the article which was published on page 5 of the same newspaper, on April 8, and which reads as follows:

> Eastern farmers have had enough of being treated as poor relatives.
>
> The Minister of Agriculture is reported as saying, during a press conference he gave the day before in Winnipeg, that he is dead set against the setting up of a feed grain agency for eastern Canada.

During the past few days, the Minister of Agriculture has been discussing all kinds of farming problems, but he never stated whether he was in favour of a feed grain policy in eastern Canada and I would like him to tell us at the first opportunity whether he is in favour of a feed grain policy designed to help farmers in eastern Canada.

And the article continues:

> It appears, taking into account the spirit in which Mr. Hays gave his press conference, that for him, farming problems of western Canada alone matter.

Moreover, the establishment of a feed grain agency for eastern Canada has been widely discussed, according to reports published following the last meeting of the Canadian Federation of Agriculture.

And I continue:

> Yet, during the last general meeting of the Canadian Federation of Agriculture...a feed grain agency for eastern Canada and British Columbia, they claim it vigorously.
>
> Honourable minister, the farmers of eastern Canada feel they have been treated as poor relatives long enough; what they want, whatever you think about it, is an agency for the east whose duties would be the following:
>
> 1. Administer the aid policy for transportation of the feed grain, flour-mill products and screenings;
> 2. Make available storage space for the warehousing of feed grain required by eastern Canada;
> 3. Administer the storage subsidy policy;
> 4. Advise the government on the import permit policy for feed grain;
> 5. Make the necessary studies and give needed advice on policies in respect of feed grain.

That is the five point program submitted by the Catholic farmers' union to the Canadian Federation of Agriculture.

And the article says further:

> Eastern farmers accept to be a guaranteed outlet for western farmers, on condition that their basic rights be observed.

Mr. Chairman, the Liberal team has been in power in Ottawa for more than a year, and it seems to me that we should have seen some concrete results before now in the agricultural field.

For the six years that they were in power, the Conservatives only told us of what they intended to do and I would not like to see the Liberal party in the same position, so that we should have to appeal to the people in order to have our eastern farmers enjoy a favourable policy in the matter of feed grain supply and a marketing policy.

I have here another article of *La Terre de Chez Nous*. On page 8 of the copy dated May 6, 1964—

Mr. Choquette: Mr. Chairman, would the hon. member allow a question?

Mr. Rondeau: Certainly, Mr. Chairman.

Mr. Choquette: I wish to ask my hon. friend, who shows much interest in farmers, as we also do, whether he is satisfied with a government who appointed a minister responsible for the administration of ARDA, as well as with its policy on feed grain, which procedure at least resolves farming problems in the east?

Mr. Gauthier: Not at all.

Mr. Rondeau: I shall answer this question and it is very easy. If the hon. member wants to speak about rural development, the matter does not specifically concern eastern Canada. It was intended to circumvent the problem, to ignore farmers from eastern Canada, and a new thing was devised, that is, rural development, and this in order not to say that a minister had been given to farmers in eastern Canada.

I appreciate the fact that the minister has problems to solve and that he is especially anxious to solve the agricultural problems of the west, and I particularly consider that a minister for eastern Canada would be still more important.

I have here a poem which was written by a farmer about our parliament and the agricultural policy of this country. This poem was published in *La Terre de Chez Nous* of May 6, 1964, on page 8:

HOMMAGE AU PARLEMENT

—1—

Le Peuple tous les quatre ans
Elit au Parlement
Des hommes qualifiés
Pour nous représenter.

—2—

Rendu à Ottawa
On se croise les bras
C'est pour mieux écouter
Les ordres des financiers.

—3—

Mais il nous faut bien faire
Quelques choses pour plaire
Afin que le peuple croit
Que nous sommes des rois.

—4—

Afin de plaire aux gros
On leur fait des cadeaux
C'est pour mieux s'attirer
Les faveurs désirées.

—5—

Pour se bien satisfaire
On remonte les salaires
Dix-huit mille par année
C'est là notre estimée.

—6—

On augmente les impôts
La presse y fait écho
C'est le coup de génie
D'un ministère pourri.

—7—

Aux milliers de chômeurs
On promet du labeur
Afin des empêcher
De ne pas se révolter.

—8—

Tous les grands Quotidiens
Chantent sur le même refrain
De même que sur les ondes
Ce n'est que des mensonges.

—9—

Ce sont les banques à charte
Qui sont maîtres des piastres
Devant ces grandes vedettes
Le pays s'hypothèque.

—10—

Des ressources naturelles
On donne les mamelles
A la grosse industrie
Qui tire tous les profits.

Mr. Chairman, I feel that those few verses give a fairly good idea of the situation of agriculture in Canada.

Dealing with agricultural problems on page 9 of its May 20, 1964 issue, *La Terre de Chez Nous* states that, the farmer is being victimized by speculators and that there is nothing in the policies of the Liberal government to limit or to end such activities.

Nowadays, there is speculation on the wheat a farmer must buy, on the hogs he must sell, on eggs, milk, cheese—

The Chairman: I regret to interrupt the hon. member but his time is over.

[*Text*]

Mr. Jorgenson: Mr. Chairman, before beginning my remarks related to the estimates of the Department of Agriculture let me express my sorrow and regret at the passing of one of the members of the Liberal party, the late hon. member for Westmorland, whom I knew but briefly but found to be one of the most friendly and sincere people I have had the pleasure of knowing. I am sure I speak for everyone on this side

of the chamber when I say, as our leader has said, that we shall miss him very much.

I want to assure the minister that there is no desire on the part of the members of this party to delay unduly the passing of his estimates. However, at the same time I am sure he will realize that we have an obligation and a responsibility as members of parliament to offer our suggestions and indeed our criticisms as well as subjecting the estimates of his department to that careful examination that is required of us at these times. The minister mentioned that we had already spent nine days on the estimates and I think this impression should be corrected. He lumped in the supplementary estimates with the main estimates. Of course we all recall what happened during the course of the debate on the supplementary estimates. I think the minister knows full well that had they come clean with us at that time, had they answered the fears that we expressed during the course of that debate, the estimates would have passed in considerably less time than they did. As it turned out, the examination that was carried on under the auspices of the Minister fo Justice revealed without any doubt at all that there was some question as to the legality of the actions that were taken during the period when there was a transfer of responsibilities; and the fact that a special order in council had to be passed to ratify the actions that had been taken was, to us, sufficient justification for the prolonged debate at that time. Our experience, also, has been that any estimates or policies of this government require careful examination.

During the introduction of the minister's estimates to the committee he dwelt at some length on the work that has been done in so far as production research is concerned. Certainly we on this side of the chamber are well aware of the need for production research, efforts to reduce the costs of production and to provide better varieties of crops suitable to the growing conditions that exist here in Canada. But he said nothing about a matter that we feel is very much related to the question of production research, and that is marketing research. To proceed apace with production research without carrying on the kind of marketing research that is necessary to dispose of the increased production that will result is simply asking the farmers to run faster but to stay in the same place. I would suggest to the minister, in keeping with the promises the Liberal party made during the election campaign, that some considerable effort needs to be spent on the question of marketing research, and I would like to hear him say something about that matter as we proceed with the estimates.

He also quoted with some relish the cash income figures for agriculture during the past year. Admittedly the cash income figures look very appealing, but I cannot understand the reluctance on the part of the government in power to quote the figures that really mean something to the farmer; that is, the realized net income figures. The hon. member for Qu'Appelle put those figures on the record the other day and I have no intention of repeating them. However, they certainly do reveal that all is not as well as the government proclaims. No matter how good the cash income figures for Canada may look, my experience has been that there are always areas, always pockets where all is not so well. To quote these figures without giving consideration to the areas that are in difficulty is like suggesting that a man with one foot in a bucket of ice and the other one on a hot plate is, on the average, very comfortable. I am sure no one will agree that this is the ultimate in comfort.

The minister suggested, also—and I was rather interested in this remark—that the farmer's image, as far as the urban populations of Canada are concerned, has been somewhat tarnished, and he referred to a conversation he had with someone in Toronto when he said, "How do you like all that money we sent you to keep you on the farm?", referring to the western farmer. He said something might be done about this. I would suggest that the minister can do something by telling the Liberal candidates in the next election campaign that when they are campaigning in their ridings they should not exaggerate and falsify the figures and should not say that the Conservative government had to be turned out simply because they were doing too much for the farmer. I think that to a large extent this is the reason for that tarnished image. I am not blaming the minister for this, but I hope he will bring together some of the members of his party and call them to task for the misinformation they spread during the last two election campaigns.

The minister made some comment about dairy policy. This has been dealt with at some length by the hon. member for Nicolet-Yamaska and I do not intend to go into that matter. But I think the minister should remember that the dairy industry is a com-

plex one and the figures relating to that industry as a whole can be somewhat misleading, because there are four component parts of the dairy industry. I am quite convinced they are not all enjoying the degree of prosperity which he indicated. He took great pains to point out the policies he had initiated since he took office, and said they were responsible for the success which he alleges the dairy industry is enjoying. None of us on this side is going to be fooled by those comments. We know the dairy policy he has followed is the policy that was initiated by the previous government through the hon. member for Qu'Appelle.

If the minister wants a complete solution to the dairy problem I would suggest he should pursue that very same policy whereby the four components of the dairy industry —the fluid milk producers, the concentrated milk shippers, the men who ship milk to the cheese factories, and the cream suppliers— can all have the same opportunity to enjoy the same degree of prosperity.

On occasion when listening to the minister I have come to the conclusion that his idea of Utopia in agriculture will be when millionaires and industrialists purchase all the smaller farms in the country and operate them, as was the case under the feudal system. I hope this is not his philosophy, but sometimes I wonder when I listen to his remarks.

During the past few weeks we heard a great deal about solemn commitments and how important it is to implement the commitments made during the election campaigns. Mr. Chairman, quite a number of solemn commitments with respect to agriculture were made by the Liberal party during the last two elections, and it might be well to put a few of them on the record and find out how many have been implemented.

Surely a commitment to a farmer is as valid as a commitment to anyone in any other segment of industry. Surely the government has not completely forgotten some of the promises it made during the course of the last two campaigns. I have in my hand a pamphlet which I had some difficulty locating. It is entitled, "A Square Deal for Farmers," and I could not locate it until I looked under the file marked "fiction." Some of the promises contained in it are startling in view of the results achieved thus far.

First of all, the Liberal government was going to expand Canada's exports of farm products. I would like to hear from the minister in what way exports were expanded, other than simply following the patterns and policies laid down by the previous government, except for some modifications and changes which I am not criticizing because, in the light of changing conditions, perhaps they were necessary. I would like to know what specific effort has been made to encourage exports of Candaian farm products.

The Liberal party said it was going to serve farmers with information on the market outlook, but I happen to recall that not long ago in this chamber the Minister of Transport, who in those days acted as agricultural critic, took the former minister of agriculture to task for spending money for that precise purpose. He was in disagreement with any effort to pass on to farmers information that was important to them in the planning of their production, and information regarding the market possibilities for their products. I do not recall the particular date or year, but I do remember the date. The Minister of Transport is not in the chamber today, but I am sure he could remind members of his party when that debate took place.

Another item in this pamphlet states they would improve consultation about farm policies. I wonder in what way has consultation been improved. Only the other day the minister had an appointment with leaders of the Canadian Federation of Agriculture. I think it was on Tuesday, May 19, and the appointment had been made some time previously, but an hour before the delegation was to arrive in Ottawa they received a phone call to say the minister could not see them. He had gone out west to speak to a Kiwanis club.

Mr. Hays: What date was this, because I spent a whole day with the federation of agriculture?

Mr. Jorgenson: This was Tuesday the 19th.

Mr. Hays: The 19th of what month?

Mr. Jorgenson: Of this month.

Mr. Hays: This is not correct.

Mr. Jorgenson: I will be glad to be corrected if I have misrepresented the facts, but this was my information and if the minister wants to put the record straight, well, fine, that is all right with me.

Another one of the policies which the Liberal party said it would implement was the establishment of an independent research council for marketing, processing and production. At the time this promise was made there had already been an independent research council set up under the responsibility of the minister of agriculture for the province of Manitoba, Hon. George Hutton.

Perhaps the minister would care to outline how an independent research council, sponsored and paid for by the government, can be independent. The independence of the council that is in existence today certainly cannot be questioned, but I doubt very much if such a council paid for, set up and appointed by the government, can exercise any degree of independence whatsoever.

The pamphlet went on to say they were going to provide long term capital for co-operatives through the industrial development bank. I have not seen anything of this. They were also going to encourage the establishment of marketing boards where farmers wanted them. Mr. Chairman, marketing boards can be established in any of the provinces any time the farmers wish to do so. This pamphlet is only a lot of useless words, trying to gild the lily a little bit, but meaningless, as were most of the Liberal promises during the election campaigns.

They said they would improve price support measures. I would like to know in what way they have done so. I know the Liberal candidate in the Provencher riding carried on his own election campaign, and I suppose this was true of most Liberal candidates across the country. The federal Liberal party had one policy and the candidates followed another.

I have in my hand a full page ad that appeared in my local newspaper, in which the Liberal candidate for Provencher started out by saying that if the people wanted these things they must vote for him for strong, stable, responsible government. I do not think I need to comment on the stable aspects of this government. These are well known. The candidate also promised deficiency payments to cream shippers, to eggs and pork producers, paid on a regional and quarterly basis. I wonder where that promise has gone. Then he went on to promise higher initial payments for wheat, oats and barley, announced before seeding time. Have we heard anything about that? Then he promised a guaranteed scale of price supports on wheat, oats and barley, for example, with a minimum guaranteed price of $2 for No. 1 wheat. That is another promise that has gone by the wayside. Then for No. 2 wheat, he says, $1.99 and for No. 3, $1.98. He is taking it upon himself to set the spread between Nos. 1, 2 and 3 wheat and anyone who knows anything about wheat marketing in this country knows that these spreads of one cent between each grade are about the most ludicrous thing we have ever seen. Finally, he says: "For a two price system on wheat calculated on the unit quota".

Well, we have heard the last of that, no doubt. This is set out in somewhat less detail in the pamphlet. They were going to provide deficiency payments for grain, which includes, I suppose, the program announced by the Liberal candidate in Provencher and then, by a consumer subsidy, improve the return to farmers on wheat consumed by Canadians. That is a general statement and I do not think anyone knows what it means. We certainly have not seen any results. Then, they state, they would underwrite provincial crop insurance programs. I presume the intention is to introduce a system of re-insurance such as that proposed by the government of Manitoba, who have been leaders in the field of provincial crop insurance programs. As most members are aware, the legislation we passed as to crop insurance was enabling legislation providing for some assistance to provincial governments which adopted a system of crop insurance in their respective provinces, and the province of Manitoba has enlarged this program now to the point where more than 6,200 farmers are covered, as compared with about 5,100 last year. So this program is expanding and they are prepared to expand it still further as soon as this government is prepared, as was indicated in this election speech, to implement this promise about re-insurance as requested by the Manitoba government. They said they were willing to improve farm credit and we are glad to see that the bill respecting this has been given first reading and that it is likely to become a reality soon. Then they go on to say:

> By area development programs, and with the necessary capital, improve farm land, turn submarginal land to more profitable uses, draw new sources of jobs to rural areas, and improve educational and training opportunities.

Surely they do not think they are fooling anybody with this gobbledygook. They know full well that these are the objectives laid down in ARDA. All they are suggesting here is that they intend to carry on the ARDA program and I do not need to tell members of this house or anyone in the country who introduced that program.

Then it says: "Undertake a program of water conservation". That also has been carried on for years under P.F.R.A. and it is also a part of the ARDA program. Speaking of water conservation, I should be happy if the minister would take another look at the Morris dam in my riding. I should be very happy if the minister could convince treasury

board that this project is one of the necessary water conservation projects for the province of Manitoba.

Then, I suppose in order to fill up the page, they say they intend to carry on all these policies in co-operation with the provinces. I suppose that is a departure from what they have been doing under the various programs they have introduced so far. But we are happy to see they intend to co-operate with the provinces in the field of agriculture, at least. The parliamentary secretary, who is listening to my remarks intently, emphasized when he spoke the other day on a supply motion the amount of production research which is being carried on under the government and he left the impression that this was something new—something which had been initiated by this government. I cannot let such an impression be given without making some comment, because surely the hon. gentleman should know that production research has been carried on ever since there have been experimental farms in Canada. There can be no question but that the production research which has been carried on under successive governments has been a credit to the Department of Agriculture. However, he sought to leave the impression—I think, a superfluous one—that new vistas of opportunity were suddenly to be opened up to the farmers simply because they were carrying on this production research.

I was interested in the comment made here the other day by the hon. member for Kings, who seemed to be most impressed with the fact that the Department of Agriculture had been divided up so badly. He seemed to think this would lead to all kinds of co-operation and that great things were to be done as a result of this division. We do not know who is actually in charge of the department because the other day when the hon. member for the Yukon brought some matters to the attention of the government there were a number who took part in the debate, including the Prime Minister, the Minister of Forestry, the Minister of Trade and Commerce, the Minister of Justice and the Minister of Industry. They all pitched in and joined in the act. I wonder how they can reconcile their philosophy and approach in the Department of National Defence, the achievement of unification there, with the divisions which are taking place within the Department of Agriculture. In one instance we are told of a wonderful new move to have everything unified in one camp, while in another department the best thing which could happen, if we are to believe the hon. members opposite, is to split the administration up. I contend there can be no effective co-operation in the face of the division of responsibility which now exists in the Department of Agriculture. The hon. member for Kings went on to say—

Mr. Muir (Lisgar): On a point of order, I am not bilingual and there is a battle going on in the other official language in one corner of the chamber. I cannot take in the two languages at the same time.

Mr. Jorgenson: He seemed to find in these divisions the ultimate solution, but as far as the government is concerned, it has led to a ludicrous situation. They want two ministers of agriculture. We have been supplied, so far, with four pension plans; we have two flags, and they have two policies for the tobacco industry, one to discourage the use of tobacco and another to encourage the use of tobacco. If that is their idea of unification and co-operation, if that is how they intend to run the department, I begin to feel sorry about what is going to happen.

The hon. member for Kings went on to tell us that the minister had made a well received statement to the federation of agriculture in Charlottetown. We know the minister has a good deal of personal charm. There is no question but that he enthralled his audience. But I can hardly concur with the conclusion drawn by the hon. member that this one speech to the federation of agriculture suddenly resolved all the difficulties of agriculture.

There is one thing I should like to put on the record. The other day the hon. member for Nicolet-Yamaska put some figures on record relating to feed prices in his area and the fluctuations in those prices from month to month. I thought they were interesting because the hon. member for Kings, the parliamentary secretary, the minister himself and other speakers on this subject have drawn the conclusion, prematurely I think, that stability had finally been brought to the industry in eastern Canada. Well, the fluctuations which took place between August of last year and April of this year certainly indicate that this stability does not exist. I say this because there was a fluctuation between the low and the high of 75 cents a hundredweight.

I went to the trouble of communicating with the accounts division to find out what were the particular prices allocated on a monthly basis for these same months. I find

a variation in prices during that same period, from a high to a low, of 16 cents per bushel. If you want to relate this to the hundredweight, it amounts to about 24.6 cents. The price to the producer in western Canada varied by about 24.6 cents per hundred and the price to the consumer in eastern Canada varied as much as 75 cents per hundred. Surely, in the face of figures such as those no one could claim that ultimate stability has been created. I ask the minister to take a second look at the program he has instituted and not be so complacent about how successful it has been.

In the case of oats, the variation to the consumer is about 28 cents a bushel, compared to a variation of 26 cents a bushel in the wheat board average price at the lakehead. This was approximately 60 cents per hundred. In the case of barley, the variation is 37 cents as compared with a variation of 8 cents a bushel or 16 cents a hundredweight in the wheat board price. I have these figures in table form. I do not want to take the time of the committee to put them on the record, but I am sure the committee would be interested in having these figures put on *Hansard* as part of my speech. I ask if this course is agreeable to the committee?

Mr. Hays: Could we have them read into the record?

Mr. Jorgenson: Do you want them read into the record? I have put on the record the important parts. The variations in monthly prices in eastern Canada were put on the record by the hon. member for Nicolet-Yamaska; I do not think it is necessary for me to put them on the record again. I choose not to read them into the record. As a matter of fact, I intend to give them to the press if they want to use them. I know what members opposite are attempting to do. They want to restrict my speech by having me read these figures into the record, but I do not intend to accommodate them. I have a few minutes left and I intend to devote that time to other matters.

The minister certainly cannot conclude that the policy he adopted of paying the storage charges on grain in store in eastern Canada has in any way whatever created that degree of stability that he tries to leave the impression has been created in feed mill prices in eastern Canada. I ask him to continue looking into this situation and to pursue a more aggressive policy in order to ensure that there is real stability in feed prices in eastern Canada. This is a problem for the eastern farmer, and will continue to be a problem until some effective action has been taken.

The Deputy Chairman: Order; I must advise the hon. member that the time allotted to him has expired.

Mr. Patterson: Mr. Chairman, I welcome the opportunity this afternoon of taking part briefly in the debate on agriculture. I believe the fact that so many days have been spent on agriculture is an indication of the importance which this item holds for all members of the house. We have had a general debate on agriculture. In addition, we have had a discussion with regard to the problems of eastern agriculture. It may be that many of us are not aware of the fact that agriculture does hold a very important place in the province from which I come, the province of British Columbia. It is true that the arable land area in British Columbia is very limited. I believe the maximum would be about 4 per cent of the land area at the present time.

In spite of that fact, it is a very important industry so far as British Columbia is concerned. In so far as my own constituency of Fraser Valley is concerned, it is most assuredly one of the major industries of that particular section of British Columbia. I have the British Columbia *News Letter* for July, 1963, in which there is a reference to the cash income of British Columbia farmers. This is broken down by major commodities produced by the British Columbia farmer in 1962. It is pointed out that dairy products account for about $36 million; cattle and calves, $30.4 million; fruit, $19.4 million; eggs, $15.3 million; poultry, $12.2 million; vegetables and potatoes, $10.2 million and wheat, $3.7 million. I believe these figures indicate as I have pointed out before, that agriculture is an important part of the economy of British Columbia.

In a brief presented by the Canadian Federation of Agriculture to the Prime Minister of Canada and members of the cabinet on February 26, 1964, there are several observations made in respect of farming in general. They agree that they are possibly taking a new approach in the presentation of an agricultural brief and point out, for instance, that as an industry agriculture has been and remains, in spite of whatever necessary measures have been taken to improve its position, the most vulnerable and relatively unprotected industrial sector in the country. I feel this is one of the things that has been a matter of great concern to the people engaged in agriculture. It certainly has occupied the time and

the attention of the organizations representing agriculture. They have pointed out time and time again that while the costs of production are increasing, there is very little protection so far as the farmer is concerned of the prices he receives for his products. This, of course, places him in a very difficult financial position.

The brief also points out that, as a group, the farmers have shared less in the post-war period in the rising levels of wealth and income than any other group in the country. I think that the statistics that are presented from time to time will show this is very true. The brief points out also that the expenditures in agriculture are taken up pretty well in increasing the quality and abundance of food which has been sold at lower prices. It also refers to agriculture assistance. I believe the hon. member for Provencher referred to this when he called attention to the criticism that is levelled sometimes against the agriculture segment of our economy because of the subsidies or the assistance that is granted in various forms.

While there have been times when it almost seemed as though there were substantial amounts of money being put into this particular phase, I think that, in the over-all picture, the assistance has been very modest. Furthermore, it is justified in view of the particular problems that agriculture faces. I am sure we are all aware of the necessity for agriculture production. We are dependant upon agriculture for our sustenance. I believe, therefore, that in the consideration of the problems that agriculture faces we should be thinking that any assistance we give in this connection is worth while in that it maintains production for Canadian consumption.

Another factor mentioned is that agriculture is a vital sector of the health of the economy; and I think it has been said many times that as agriculture prospers so the economy prospers. I think that is true. Another factor pointed out by the brief is that among advanced nations Canada spends a relatively small proportion of the national budget on agriculture, and I believe this as well is borne out by statistics.

Coming to the problems of British Columbia and especially of my own riding, I should like to say that I have had a number of communications from those engaged in the industry and also those who are representative of the industry in the province of British Columbia. One of the main points of concern is the effect of possible tariff changes as they relate to agricultural production. The British Columbia coast vegetable marketing board, representing a great number of organizations, have submitted material for consideration, and perhaps it would be interesting to record the participating organizations associated with this particular submission. They are as follows: Abbotsford growers co-op association; B.C. coast vegetable marketing board; B.C. coast vegetable co-operative association; B.C. interior vegetable marketing board; B.C. interior marketing agency limited; B.C. blueberry co-operative association limited; B.C. certified seed potato growers association; B.C. lower mainland farmers' co-operative association; Columbia potato growers association; Colebrook potato growers association; district "E" farmers' institute of B.C.; East Chilliwack co-operative growers; Fraser valley fruit and vegetable growers association; Fraser valley pea growers association; Fresh-Pak Limited, Burnaby (processors); Georgia potato growers association; lower B.C. mainland horticultural association; Pacific co-operative union (growers); south Vancouver island potato growers association; united flower growers co-operative association; united Fraser valley growers co-operative association, and the Vancouver island vegetable co-operative association.

This indicates, Mr. Chairman, that this brief and the fears expressed therein is representative of the great many organizations, and of course producers, in these various areas of activity. I should like to read a short paragraph from page 2 of the brief. It is pointed out that:

> We, as producers in B.C., with a minimum of tariff protection now available are able to supply other western provinces with early crop vegetables and various small fruits. We firmly believe that it is to the benefit of our producers, consumers, distributors and processors and the economy of our country to further foster this ever increasing movement within our Canadian regions rather than have these markets supplied by imported produce which we believe would completely dominate our Canadian markets under any method of reduced tariff protection.

It is pointed out in this particular brief that prior to 1959, I believe it is, the producers in that area were severely handicapped owing to the importation of fruits and vegetables from across the border. The producers there had the best of the market in their own country, and then just before our own producers put their produce on the market it was flooded with what was left over from south of the border. Then certain changes were effected which placed them in a more competitive position and I believe added greatly to the stability of the fruit

and vegetable industries in the province of British Columbia. The fear is that in the event that certain proposed changes are made and tariffs are reduced, our producers will once again be faced with this very same problem. They are voicing great concern and asking that in any negotiations which are carried on between Canada and other nations of the world under GATT or the Kennedy round, as the present negotiations are called, or any type of negotiations, some of these basic considerations will be borne in mind and that nothing will be done to jeopardize the position of our industries in the province of British Columbia. I think this is fundamental. I think it is basic. I believe it is only fair, because if our own producers lose the position they have now and the market is supplied from outside, our own industries may be put out of operation and prices could rise to the point where we would wish we had our own producers producing our own foodstuffs for us.

There are many problems faced by those engaged in agriculture. As I have said, those in my own riding also have their own particular problems and have to face the situation with a great deal of courage, realizing that there are so many things which could happen to interfere with the satisfactory production and distribution of their products. I just call these matters to the attention of the Minister of Agriculture.

There is one other matter I should like to mention at this time. Some time ago the question was raised as to protection for agricultural producers under the Bankruptcy Act. There have been cases where producers who are farmers have delivered their produce to companies which have subsequently been declared bankrupt. Under the terms of the act no provision is made to reimburse farmers or to enable them to make a claim. Therefore they are requesting that the act be amended so that these people will receive protection, and in the event of such a thing happening will not be in the position of losing their entire crop or their entire production.

I do not propose, Mr. Chairman, to discuss agricultural matters any further at this time. I realize there is a desire on the part of the committee to facilitate the passage of the estimates in view of the fact that we have spent considerable time on them. May I again say that this is only an indication of the fact that we are all interested in and concerned about the problems of agriculture in our own areas as well as right across the nation, and we trust that these matters which are brought to the attention of the minister from time to time will be given every consideration.

[Mr. Patterson.]

Mr. Alkenbrack: Mr. Chairman, I do not intend to dwell unduly long this afternoon on the subject with which we are dealing. I would like to extend to the members of the government, to his colleagues on the other side of the aisle and to his wife and family who survive him, my deep condolences upon the death of Sherwood Rideout, the hon. member for Westmorland.

My remarks this afternoon will deal primarily with the dairy industry, and principally with the cheese segment of that industry. I will also have a few words to say about ARDA and some of its facets, and in a limited way, regarding farm credit.

Beginning with the cheese industry, Mr. Chairman, I wish to point out that the farmers of Ontario and the Ontario cheese producers marketing board, which works in their interests, were very disappointed with the recent announcement of the Minister of Agriculture on Thursday, May 14, cutting cheese export assistance by another cent. As you know, Mr. Chairman, the assistance in the amount of four cents a pound, so wisely and beneficially established by the Conservative administration, has now been cut exactly in half so that whatever benefits the cheese producers receive are of very little consequence to such a vital industry engaged in exporting Canada's principal specialty product.

I reiterate that Canadian cheddar cheese is Canada's principal specialty export product. Canada has other products, of course, that are specialties of our nation. I am not taking anything away from Canadian maple syrup or No. 1 northern hard wheat; but of all the products that Canada exports to the old country cheese seems to be the leader, so far as the tastes of the British consumers are concerned. Therefore the action of the government, the Department of Agriculture and the man heading that department has been retrogressive with respect to the progress that the cheese industry must and should make.

Is it not true that the minister was asked by the Canadian Federation of Agriculture, the dairy farmers of Canada, the Ontario cheese producers, the L and S co-operative and the Lake St. John co-operative, representing the Quebec cheese producers, to continue the three cent subsidy on export cheese? In spite of that the minister left these people in the lurch and cut the export assistance by another cent. From whom did the minister take his advice when he lowered the subsidy on export cheese from four to two cents?

Did he take the advice of the butter and milk powder interests?

Is it right, with this reduction of one cent in the assistance for export cheese, that farmers all across Canada should have to take a reduction of nine or ten cents per 100 pounds for their milk? That is what the mathematics of the matter will mean unless it is possible to raise the price of Canadian cheese one cent per pound on the United Kingdom market. It would be a very ill-advised thing to raise the price on that market because this year we must export a great deal more than last to take care of the reduction in the subsidy, and the contemplated increase in production of cheese-milk.

The price of Canadian cheese on the United Kingdom market has already been raised four cents in a two year period compared with an increase of one and a half cents in the price of New Zealand cheese in a four year period. Our Canadian cheese costs the English importer 37 cents a pound laid down in London compared with 32½ cents a pound for New Zealand cheese properly aged for consumption. Remember that the United Kingdom importer has to keep Canadian cheese approximately one year for aging purposes whereas it seems that New Zealand cheese is already aged when it arrives in England.

Does the minister think it wise to increase our price in that market by another cent? We could well ruin our market there by too high a price and by always asking more and more for the product each time a shipment arrives in England. This latter is not good business. I have here the statement that the minister made in the house on May 14. As found on page 3255 of *Hansard* he said:

> —so it is now considered in the best interests of all that this subsidy should be reduced by a further one cent per pound.

When the minister says "in the best interests of all" what does he mean? Does he mean the cheese industry, which is mostly farmer owned, or does he mean the butter and milk powder industries which are controlled by large corporations? I leave that question with members of this committee, Mr. Chairman, because it has not been answered and it is most vital to the progress of the cheese industry.

While I may be slightly out of order, Mr. Chairman, in passing I should like to point out the great discrepancy in the methods of taxing the various kinds of cheese companies. First, let me take the limited cheese company factory tax, which includes income taxes and so on. A good example is the Elmbrook Cheese and Butter Manufacturing Company of Picton, Ontario, in Prince Edward county. That company has to struggle along paying as much as $1,200 a year in income taxes whereas a nearby co-operative manufacturing cheese pays no income tax. I am sure you will allow me to point that out to the house, Mr. Chairman. This situation is not the fault of the Department of Agriculture but it certainly represents a handicap to the limited companies which manufacture cheese in Canada today, and should be corrected.

There are a couple of other points I want to make on the question of the cheese export subsidy. The reduction of one cent per pound on export cheese will mean a reduction of nine or ten cents a hundred pounds on cheese milk to Canadian farmers, unless the price of cheese is increased in the United Kingdom market. We feel that such a move is unsound. Second, unless the export price of cheese can be raised to offset the one cent reduction by the federal government, the farmers of Canada are due to lose $1,370,000 on the basis of the production of 137 million pounds in 1963. The government of Canada has saved some $280,000 by reducing the export subsidy by one cent on 28 million pounds exported.

Officials of the government are predicting an increase of ten million pounds in cheese production in 1964. Are they asking this small group of farmers in the province of Ontario, who increased exports by ten million pounds in 1963, to increase them by another ten million pounds this year at a higher price? This does not look right, when the big companies that own whole milk powder plants are subsidized to the extent of 6.3 cents. I hope the minister realizes that this action simply represents a betrayal of the cheese milk producers by the government. I should like to see him rectify the situation soon in order to get that section of the dairy industry back on the track.

To turn to ARDA, although the government claims that it has made some progress and has put certain policies into effect, one can travel across the province of Ontario and see that it has done nothing by way of improvements under ARDA. ARDA has three main aims: to put to better use some marginal land that is not very productive in its present use—and nothing is being done along those lines outside of some pilot projects—second, ARDA is meant to develop income and employment opportunities in rural areas;

third, to develop and conserve the water and soil resources of rural Canada. I submit that this government has done nothing along these lines.

I do wish to remind the committee, Mr. Chairman, of the very able work performed by the hon. gentlemen in the other place. I have in my hand a report issued by a committee of the Senate, and having read most of it I want to compliment those hon. gentlemen in the red chamber for their able compilation of this report. I refer to the recent report of the special committee on land use in Canada. When the government and some political parties in this chamber are loudly contemplating and voting for the abolition of the other place, good work of this sort should remind them of the folly of such a measure. I want to quote from this report what the committee has to say about water and land use:

> Water occupies a very influential role in determining the most beneficial use of land. Because of this, various witnesses devoted a part of their submissions to expressing a need for more concern about the use of this resource. The briefs pointed out that most uses of land require water. Despite this, the value of water is often overlooked. This lack will have to be remedied, especially in the areas where the limitations of water are becoming apparent. Less pollution and squandering of water will have to result, it was noted.

Here is the key point:

> Decreasing water supplies in relative or absolute amounts create limitations to urban, industrial and recreational development, it was stated. Large quantities of water of suitable quality are required for these land uses.
>
> Of particular concern to the committee was the role of water in agriculture. In eastern Canada many lands have the problem of too much water. Drainage must be provided for many agricultural lands. All levels of government are active in drainage programs. Many details were reported to the committee of the various schemes that are in operation to assist farmers in draining farming areas.

This is my point in this connection, Mr. Chairman. If this government really wishes to give leadership and guidance to the farmers of Canada, particularly those of eastern Canada, they should bend their efforts toward providing assistance to farmers wishing to instal tile drainage. I have here a copy of a resolution submitted to me over a month ago, but this is the first opportunity I have had to bring it to the attention of the government and hon. members. It is a copy of a resolution submitted by the Lennox and Addington county federation of agriculture regarding assistance that could be given to farm drainage projects. I quote the resolution:

> Whereas the present depreciation on farm installed tile drainage systems is now 2½ per cent
>
> And whereas at this rate, it would take 40 years to recover this cost
>
> And whereas tile drainage is necessary in modern day agriculture
>
> And is the first consideration in good farm management
>
> And whereas this farm practice of tile drainage installation should be encouraged to a greater degree.
>
> Therefore, be it resolved that the Lennox and Addington federation of agriculture request the Department of National Revenue taxation division to increase the capital cost allowance on already installed tile drainage systems from the present allowable 2½ per cent to 10 per cent.

You will agree that this resolution is very valuable to the agricultural industry and its recommendation should be put into effect. I urge the government to think along those lines and see what they can do to assist the agricultural industry where tile drainage is required and farmers are loath to start on any large projects because of the small benefit that is granted taxwise.

My last point, Mr. Chairman, concerns farm credit and I wish to quote from that respected old journal, the *Family Herald* of May 21, 1964. This is the 95th year of publication of this magazine, which is very well known across Canada. In fact I can well remember running out to the mail box on the farm as a child once a week to get the *Family Herald,* which at that time was one of the main news media for rural Ontario. The article in this magazine is headed, "A crisis in farm credit" and it reads in part:

> Though most Canadians find their weekly grocery bill a heavy burden to bear, they eat as well as any other nation on earth and a good deal cheaper than most. Their thanks for this blessing should be directed to the Canadian agricultural industry, a group of small, independent farmers producing a tremendous volume of food with a slim profit margin.

The article continues by referring to a well informed authority on real estate in western Canada, a person with a farm background, saying:

> —that for his area, Farm Credit Corporation land value appraisals are out of date by at least ten years. "Farm Credit Corporation limits of $50,000 with terms of 35 to 50 years at no more than 3 per cent would be more realistic", he says, "even if it took two generations to pay it back".

I think we should be thinking along those lines, Mr. Chairman, with regard to lending money to prospective, young farmers who want to get into this industry. The article continues:

A charge frequently made is that Farm Credit Corporation money is inflating farmland prices.

If that is so, it is making it all the more difficult for young people to get into the business. Then the article says:

Financing land purchases for increased efficiency is perhaps the farmer's biggest problem but close behind looms the problem of paying for basic and specialized machinery.

Many hon. members are farmers and know how difficult it is to finance machinery, where tremendous costs are involved, and pay mortgage interest and payments on their land, and so forth. I think it is time that we are looking into the loosening up and the expanding of the terms of these Farm Credit Corporation mortgages. To conclude the quotation:

It is frequently reported that the annual sums allotted by parliament to cover F.I.L. borrowing are never over-expended. Estimates of money actually borrowed vary and stood at around 60 per cent in a recent year. The repayment record on these funds is excellent. Where, then, is the bottleneck? Why are these funds not fully subscribed?

This is a question for which we are all responsible, but more particularly the government of the day. I hope it will look into this so that the agricultural industry can be put back on its financial feet. Our prime responsibility to this country is the working of the millions of acres of the top six inches of the soil of Canada.

Mr. Horner (Acadia): I should first like to join with my fellow members and the leader of the official opposition in paying tribute to the late hon. member for Westmorland and in offering my condolences to the loved ones he has left behind.

While the minister may complain that this debate has dragged on, much of the time has been spent pointing out the evils of political patronage in the government, and it may be that not enough time has been spent on this important segment of our economy. Agriculture is still the biggest employer in Canada and is still the main industry of the country. This was admitted by the Minister of Finance on bringing down his budget this year. It was also pointed out by the Minister of Trade and Commerce, at various times throughout the year, that wheat sales and the agricultural economy itself brought buoyancy to our foreign exchange and improved economic conditions which were felt all across the country.

But is seems the government is more concerned with images than it is with agriculture, with this great economic lifeblood of Canada. From time to time we see the Prime Minister worried about his own image and cancelling television programs. We see the Minister of Agriculture trying to portray his image across Canada as a robust auctioneer who has the small farmer's concern at heart, and who is bringing down four pieces of legislation which will vastly revolutionize farming. Why has he not brought them down? Why have we not had a look at them? Only one with regard to farm credit is on the order paper.

In a speech which he made in Lethbridge on April 30 he tried to give the impression that the opposition was doing nothing but filibustering. What legislation has come before parliament this session? We have had the speech from the throne and we spent six days of what might be termed our own time, during the Easter holidays, trying to proceed with government work. Certainly it cannot be said that those six days were taking up government time.

The minister said in Lethbridge on April 11:

The government legislation program is bogged down by opposition filibuster.

Where is this legislation that he wants to bring down to revolutionize farming? We see one item on the order paper and we have asked for it to be presented in bill form. The minister says some parliamentary rules and procedures could be changed to facilitate the passage of legislation through the house. He is very anxious to bring in his proposed legislation, and I personally would like to see the measure dealing with farm machinery.

The minister went on to say that his policies will vastly change the agricultural economy. I remember reading about the minister, at a meeting he had at Claresholm, Alberta, in the following day's Calgary *Herald*. I do not have the clipping here, but he said he had been farming for 15 or 18 years with a 1928 model tractor, and he felt this was good enough for all farmers, that farmers were being abused by the machinery salesmen, that they were over-buying machinery, and that the farm machinery agents were just taking advantage of them.

I just wonder what will be in this farm machinery legislation, coming from a minister who is supposed to have farmed 18 years with a 1928 model tractor and who said it was every bit as good as his neighbour's rubber tired tractor. I myself did quite a bit of farming with a 1928 tractor and with a team of horses, but when you compare the three modes there is no doubt that the rubber tired tractor is superior.

The minister also said at the Lethbridge meeting that as soon as the pension bill was passed through parliament his farm legislation would be presented. In a sense the pension bill has passed through parliament. It has been withdrawn and now we have a flag issue that also will eventually be withdrawn because Canada does not want two flags. It too will occupy the time of the house and keep this vastly important agricultural legislation from being proceeded with, and these smokescreens will continue until the minister makes up his mind as to what type of farm machinery bill he wants.

We have also noticed that the minister is greatly interested in improving his image. He has found out it is not too good across western Canada, particularly in Alberta. Therefore he has got a new assistant, a former member of the press gallery, who has written a letter, on the minister's stationery, to weekly newspapers in which, the assistant, Mr. Peacock, says:

He—

The minister

—is concerned that the people in your area have every chance to learn as authoritatively, objectively and comprehensively what their government is doing.

I am pleased to hear this because if it is going to be an authoritative weekly column this means the minister is going to spend more time in parliament, and if it is going to be objective and comprehensive, this means he is finally going to start comprehending his own department and parliament itself. In fact, I have a couple of copies of some news releases he has already issued, and it is interesting to note that in some respects he is bypassing one large branch in the Department of Agriculture, the information branch.

Mr. Diefenbaker: At what price are they being auctioned?

Mr. Horner (Acadia): The minister is not as smart—I should not use that word—not as wise, or perhaps in such financial difficulty as the hon. member for Port Arthur, because he is giving these out to weekly papers free.

Mr. Herridge: Will the hon. member permit a question? Does he realize this is not the information branch? It is the propaganda branch.

Mr. Horner (Acadia): Well, if I were chairman I would rule that that was a statement I wholeheartedly agree with, rather than a question. But these releases are going to be interesting. I am told that some 20 weekly newspapers already subscribe to the minister's weekly complimentary and authoritative report on parliament, and perhaps the Clerk of the House or someone else in this house could make a notation in each one of those weekly papers saying how often or how long the minister spent in parliament in order to grasp this information.

Mr. Byrne: The hon. member is notably away more than any other person.

Mr. Horner (Acadia): Now we hear something from the authority on the rules over on that side of the house. There is no question but that I find myself extremely occupied and not in the house on occasions, but my voting record is there for everybody to see, and while I know it could be better I am still not ashamed of it.

The minister is trying to create an image. The other day he was still auctioning, but that was an auction engagement made some time ago. Recently, no one has made any comment on his auctioneering services. Oh, maybe I am a bit envious; maybe there is a bit of auctioneer in me, too. But I notice that on May 18 he auctioned a famous Holstein herd for an amount which totalled $323,000. I roughly figured out the commission on this at the rate of 15 per cent—I was told this by a contributor to one of the sales. It comes to $48,000, a nice day's work—

Some hon. Members: Hear, hear.

Mr. Horner (Acadia): —and an honourable profession. But surely if the minister is going to report authoritatively and comprehensively on this parliament and the work of his department he should spend full time at it. There is a report with regard to his auctioneering services in the *Western Producer* of October 3, 1963. The *Western Producer* is, I may say, a well known rural farm paper. This is what the editorial had to say:

We can think of dozens of good reasons for Mr. Hays to be quite properly absent from the house, carrying out duties directly connected with his job as minister. Auctioning cattle isn't among them, no matter how good the cattle, nor if they are owned by senators and other prominent people. There are other auctioneers. The minister's first responsibility is to his job as minister.

That is why I began my remarks by pointing out that these estimates we are discussing today concern the largest single industry in Canada, the biggest employer in Canada and the life saver of 1963 with regard to Canada's financial situation. Yet the minister is more concerned with improving his own financial position than with looking after the biggest

single employer in Canada and the biggest single industry in Canada.

Mr. Hays: I think I should correct one or two of those statements.

The Chairman: Is the minister rising on a question of privilege?

Mr. Hays: Yes. I received nothing. There were 2,000 farmers there from 15 different countries. I was happy to be there and I discussed many problems with them. But I did not charge anything for my services.

An hon. Member: What was your own farm income last year?

Mr. Horner (Acadia): More than yours.

It is all very well for the minister to say he did not charge anything. How much did he receive, and how much will he be receiving?

Mr. Hays: On a question of privilege; I received nothing.

Mr. Horner (Acadia): Only time will tell. How much is Romandale Farms obligated to the minister for selling those cattle? When is the next election coming, and how much will they contribute to his campaign fund or to the campaign fund of the Liberal party? Nobody in public life does $50,000 worth of business and says: "Don't pay me". They definitely feel obligated and will certainly make a contribution in respect of that obligation in the future. One may rest assured of that. This sale of Holsteins resulted in record prices. There is a full report of it here. To quote the minister's own words, only time will tell, and in this case only time will tell how much Romandale Farms are obligated.

The legislation which the minister hopes to put on the order paper has been advertised in many papers. One of the items deals with farm improvement loans. We had that on the order paper as far back as the spring of 1963—it was intended to increase the amount which could be loaned under the Farm Improvement Loans Act. Everyone knows we have been interested in the Farm Credit Corporation. We set it up, we got it working and we increased the grants from time to time. I am interested in this piece of legislation and in particular in what they intend to do with regard to interest rates in respect of it. Did they ever stop to think that it is fine and dandy to give a farmer $40,000 and charge him a huge rate of interest on that money while providing very little marketing information, very little marketing help to market his product in order to pay the debt? Forty thousand dollars at 5 per cent interest—we can be certain they would not lend a farmer as much money as that without maintaining the present rate of interest; that comes to $2,000, no small sum.

I see in a newspaper clipping that the minister's farm machinery bill will be the saviour of the small farmer. He is making some small farmers big and maintaining others by giving them 1928 tractors, I would imagine. Forty thousand dollars at 6 per cent interest would come to nearly $2,400 a year in interest alone. Surely, the minister will give consideration to saving a farmer $400 a year in interest?

We have heard some talk about the length of time a farmer would have in which to repay his debt. Certainly, the period should be lengthened, but with the increasing length of time it becomes of the utmost importance that the interest rate should be maintained and should not be increased. Because of the time increase a farmer instead of paying back $40,000 will be paying back more like $80,000, if he takes the full time allotted to him under the proposal which the minister may or may not have in mind. Certainly he has suggested from time to time that the time should be increased along with the amount of the loan. Well, I am in full accord that the Farm Credit Corporation should be able to lend more money, but I would rather see many other changes in the legislation to allow the small farmer to get started, or add to the property he may now own. But, of course, we shall see the bill in due time and no doubt I shall have more to say when it is before us.

The recent image builder which the minister has in mind is that he plans to fly members of parliament to various farm regions. This is going to be an interesting junket. It should increase the tourist expenditure by Canadians in Canada. But what real purpose will be accomplished? Is the agriculture committee going to fly to New Brunswick, for example, and set up a day for a meeting, and will farmers be called in and be told: Here is the minister, here are the members; ask your questions and the minister will be glad to answer? Is this to be the purpose of the junket? Or are we to go around interviewing farmers throughout Canada and asking them what will help solve their problems? As a member of the committee I shall certainly be pleased to go along, but it will be a waste of the taxpayers' money because it is the minister who designates the legislation; it is the minister who puts it on the order

paper or does not put it on the order paper; it is the minister who brings in the useful legislation which will benefit various segments of the agricultural economy. If the minister wants to fly all around Canada, and he has done a considerable amount of it already, to bone up on the various farm problems, then I think that would be money well spent by the Canadian taxpayer. He might find some answers to a lot of the problems that have been troubling him and his government with regard to agriculture.

This was the party that was going to make decisions. Last fall the Minister of Agriculture told the farmers not to grow wheat: "We have enough of it." The Minister of Trade and Commerce told them not to grow any more wheat, that we were going to have enough of it. We were lucky to have this one big sale. The farmers have gone ahead and pretty well completed putting in one of the largest crops of wheat this country has ever seen. I think it will be in the neighbourhood of 30 million acres. Did they receive any advice from this government about markets, about whether or not it was wise to plant this wheat? At one time they were told by both ministers not to plant wheat. Then reports appeared in the newspapers that the Minister of Trade and Commerce said the outlook was good for wheat sales to Russia to continue; that Russia would continue to be a buyer of Canadian wheat. The Minister of Agriculture has backed away somewhat from his initial statement that farmers should go into other branches of agricultural production, such as beef cattle. The beef cattle industry does not look too good this spring, with a surplus in the United States, the country that sets our market price.

I point out to you, Mr. Chairman, that this government, as it has done in connection with many pieces of legislation, has wobbled and waffled in giving advice to farmers with regard to markets for their products. Today we see the agriculture committe studying the tobacco industry. What is the purpose of that inquiry? It is to improve the image of the present government with the tobacco farmers in order to try to undo some of the harm the Minister of National Health and Welfare did from a political point of view. The government should be concerned about the tobacco industry. Many governments have been. The Ontario government just appointed a commission to study the industry. Why the concern all of a sudden about images? We have concern about the image of the party the image of the Prime Minister, the image of the Department of Agriculture and the minister, as a prime concern of the government today. One would almost think they were preparing for an election.

Certainly the country does not want an election. I read in one of the newspapers today that the flag issue will bring about an election. This country has waited a number of years for a truly distinctive flag, if this is what people want to call this new version we are getting. Certainly we can wait another couple of years. The country does not want an election. Why be concerned about image building? Why has the Minister of Agriculture started issuing free press releases for the rural newspapers? Why do we have members of parliament flying all across Canada in this process of image building? There is no other reason than to make Harry, if I may use the term, look like one of the boys in relation to the agriculture committee and the members of this house. This is another effort at image building. Image building will not create the smokescreen that is desired by that party. As long as there is an opposition in this house, members will be able to clear away the smoke and see where the real action has been with regard to agriculture.

Mr. Kindt: I shall not detain the committee long by the few remarks I have to make. It has been brought to my attention that a number of newspapers in my riding have received letters from Mr. Don Peacock, who I presume is an employee of the Department of Agriculture, which are characterized as reports from parliament hill. During the past six years that I have been a member of this house I have written articles on the debates which have occurred in parliament when, in my view, it was thought of public interest to do so. The custom has grown up for individual members to send reports from parliament hill to their own constituents. This practice has grown up over the years and is not something which I have popularized. I have simply taken it as a practice which has grown up. Certainly under no circumstances has it been the practice for a minister of the crown to try to improve his image by circulating, far and wide, the "Hays Report From Parliament Hill". This is plagiarism. If the minister had any thoughts of decency in relation to the private members of this house, he would reconsider his position in choosing a title which is reserved by custom and practice for hon. members.

If the minister wants to send the "Hays Report From Parliament Hill" to the constituents of Calgary South, no one could find fault. However, if he wants to employ somebody on his staff, who is receiving $12,000 a year, to make up a report to send far and wide as the "Hays Report From Parliament Hill", while he is out conducting auction sales and has not heard what has taken place on parliament hill surely his constituents will not think well of that. What are the people of the country going to think? I would suggest, for his own self-respect, that the hon. member from Calgary South reconsider his position. If he does not, then I am certain the criticism he is going to receive will more than balance the benefits which he might think he is going to receive by way of improving his image as Minister of Agriculture. The minister's popularity is at a very low ebb, make no mistake about that.

I understand the minister has a ranch in my riding of Macleod. I have heard it said that in the next election he intends to run in the Macleod riding. I shall be delighted to have him as an opponent. If he does, I might say that he had better lengthen his legs if he is going to run against me. It will probably fall on the shoulders of this Conservative party to clean up this whole mess in agriculture which he has created. We shall be able to do it. Let me say that every Liberal who has run in the Macleod riding in the past three elections has lost his deposit, so he is welcome to be in the same category.

I should like to say that there are many things about the minister's department which should be mentioned, but I do not wish to repeat the things to which other members have referred.

While I am on my feet I should like to ask about the Chain lakes project out of Claresholm. We have been working on that project for some five years. There was some question whether this project should be at Chain lakes or at the Flying E, and after P.F.R.A. had made their surveys of Chain lakes it was decided to wait until the department had examined other sites. Now at last the local people have agreed to go ahead at Chain lakes. The engineering studies have been completed and the minister has said yes, we will go ahead at the Chain lakes site.

However, in this year's estimates I understand from checking with the department officials that all that is being done this year is to carry out certain studies. There will be no bulldozers getting to work, there will be no construction work; only a small token amount of the estimates before us are devoted to this purpose, just enough to make surveys. In other words, the department does not intend to do anything this year at Chain lakes; and if that is the case the minister should tell the people at Claresholm and at Granum, who are depending on the Minister of Agriculture to get busy, how much of this project is to be completed this year. The minister has said that this project is going to be completed in 1965, which is more than a year away. In other words, he is going to do nothing this year. He is going to wait and see whether or not it rains. That is the situation; and make no mistake, Mr. Minister of Agriculture, the people of Claresholm and the people of Granum who depend on the storage of water in Willow Creek are expecting something more important and more definite than this.

Mr. Hays: Whom were they depending on two years ago?

Mr. Kindt: They were depending on the government in power at that time, which initiated the study by P.F.R.A. which brought in a report on the Chain lakes project. It was also recommended by the council of Willow Creek municipality that the Flying E site be re-examined, and at the suggestion of Willow Creek municipality the government postponed any construction at Chain lakes until the alternative site at the Flying E was properly examined.

These are the facts, Mr. Chairman. The minister can smile, look fat and prosperous and everything else—

Mr. McIlraith: The pot is calling the kettle black.

Mr. Kindt: —but these are the facts, and the people out there, do not forget, are watching what the Minister of Agriculture is trying to do. But they are having a hard time trying to see anything at all that he is doing. I shall be out at the Cartwright ranch on Sunday at a big old timers picnic. I shall be out near the minister's ranch, and since I am a lifetime member of the old timers association in that area I would extend an invitation to him to be my guest. I should be glad to pick him up and bring him over to the Cartwright ranch if he is in that part of the area. We might be good friends as individuals outside the House of Commons, but I want to tell him this, that the policies of this government will certainly not

be tolerated or accepted by the people in my riding, or for that matter any of the people in the other agricultural ridings of this country. Regardless of what the minister may do by way of writing articles to improve his image, he is going to find difficulty in correcting the image of this government and the record of the present Minister of Agriculture.

Mr. Herridge: Mr. Chairman, I have been sitting here this afternoon hoping really that item 1 would be passed and that we could get on with the details of the estimates. Seeing that that is not likely I want to make a few kindly observations. I have read the minister's speech in opening his estimates and I have read his speech on the occasion of the amendment on going into supply last Monday, but I must say I fail to see in either of those speeches the sort of reply I should like to the requests of farm organizations in many respects.

We note that there is going to be an amendment to the Farm Credit Act, which we are pleased about. We also note that there is going to be an amendment to the Bankruptcy Act, which the farmers will be very interested in, because they have suffered losses. We also note that more active consideration is being given to the ARDA program than has been the case for some time. However, I wish the minister would give the committee his reaction, before these estimates are concluded, to the representations of the Canadian Federation of Agriculture with regard to the world food program and with respect to taxation policy. We should like to know what he is doing within the cabinet in this regard.

The federation presented to the Minister of Finance immediately following its annual meeting a submission containing recommendations on excise and sales tax and customs tariffs on goods which enter into the farmers' cost of production. We should like to know the reaction of the minister to these recommendations. Page 9 of the brief presented by the Canadian Federation of Agriculture to the Prime Minister of Canada and the members of the cabinet on February 26, 1964, reads, in part, as follows:

> In a somewhat different field, we would like to draw your attention to the resolution in appendix K in which we ask both provincial and federal governments to work out means of ending the use of property taxes for financing local education costs, and instead find means of ensuring that federal funds are made available for education in amounts which will ensure that financing needs for education in Canada are adequately and equitably met.

[Mr. Kindt.]

We should like to know the reaction of the minister to this representation in connection with property taxes. I think this is a nationwide request on the part of the farmers of Canada. I know it is a matter which is brought up at every provincial convention of agricultural organizations and it has been the subject of discussion throughout the years.

We should also like to hear the minister's attitude toward this particular problem, because the burden is increasing every year, owing to the increasing cost of taxation, the need for new and better schools, more teachers, and so on, all of which we support.

Then we should like to know the minister's views with respect to the representations concerning pension plans. Paragraph 25 of the brief states:

> We would hope to be submitting to you more detailed views and recommendations on this subject of pension plans. At this time there is one central point of policy on which we would like to be very emphatic. We think it is essential that, from the first, participation in the plan should be mandatory not only for employees, but also for self-employed persons.

I mention that because I have had some correspondence from the farmers in my own constituency who are concerned with this aspect of the Canada pension plan. We should like to know whether the minister supports the proposals of the Canadian Federation of Agriculture and other farm organizations in this respect.

Then we should like to know the minister's attitude toward the federation's proposal with respect to the St. Lawrence seaway. In paragraph 29 of their brief the federation submits that:

> Our federation opposes any increase in St. Lawrence seaway tolls, or any Welland canal tolls whatever.

Then we should like to know the minister's reply to the question of unemployment insurance for farm labour. This matter has been brought up as a private measure by the hon. member for Humboldt-Melfort-Tisdale. We all give him full credit for it. He is a good representative. He knows how to represent farmers. He has his feet on the ground instead of his head in the air. Paragraph 44 is headed "Unemployment Insurance for Farm Labour" and reads as follows:

> We appreciate that the government must now be very intensively examining the findings of the royal commission on unemployment insurance, and planning new legislation. What we wish to emphasize is that there are many farmer employers who are at a distinct disadvantage in the labour market created by the lack of coverage for farm workers. This is a very serious matter for many farmers and

very unsatisfactory also for the man who would otherwise like to enter farm work. Our request is that, without delay, insurance be extended on a compulsory basis to farm employees in particular, defined geographical areas or industry groupings. This we believe should be done when requested by groups of farmers in a particular area or producing a particular commodity.

We wholeheartedly support that request. I know a number of farmers in my constituency who have been unable to obtain good employees who would have liked to work for them and who would have preferred to do farm work, but because of the lack of unemployment insurance in this field these workers have had to go into occupations where they could get their insurance stamps and their benefits later on, if necessary.

We would like to know what the minister thinks. We think that the Minister of Agriculture should rise in this house as the representative of the farmers of this country and say that he believes in this idea, and then behind the scenes in the cabinet he should be doing his best to get the Minister of Labour to see eye to eye with the farmers of Canada.

I have one other question to raise which is of interest to the fruit growing industry of British Columbia. It has to do with certain resolutions passed at the 75th annual convention of the British Columbia fruit growers association which was held at Kelowna on January 21, 22 and 23, 1964. There are a number of resolutions of interest here but I want to draw two particularly to the minister's attention. I have had some personal knowledge of fruit growing over a period of 50 years, but have had to go out of it in recent years. One reason for having to do so is the fact that men employed in this work are not covered by unemployment insurance. I wish to refer to resolution No. 39, diseases and insects of pome fruits, which was introduced by the Keremeos local of our organization. It reads as follows:

Whereas pest and disease control on apples and pears is a major problem throughout the industry, and

Whereas costs of spray materials are steadily rising with tolerances of spray residue being ever more rigorously controlled, and

Whereas there is an excellent publication by the Canadian Department of Agriculture, "No. 915, Diseases, Insects and Mites of Stone Fruits", available to growers, and

Whereas there is at present no publication available on diseases, insects and mites on apples and pears,

Therefore be it resolved by this 1964 B.C.F.G.A. convention that the B.C.F.G.A. apply for such a publication, namely, "Diseases and Insects and Mites on Apples and Pears and Their Control".

The next resolution, No. 40, is related to that resolution. It has to do with non-chemical insect control and reads as follows:

Whereas we appreciate the work already being done on the control of insect pests by non-chemical means, and inasmuch as the need for such control increases as insects rapidly develop resistance to chemical sprays, so that new and costly materials are continually required to replace materials which have become ineffective,

Therefore be it resolved by this 1964 B.C.F.G.A. convention that the federal Department of Agriculture be requested to accelerate research into non-chemical insect control increasing appropriations for this work if necessary.

I do not want to delay the passage of item 1 but I do ask the minister to give consideration to the representations of the farm organizations including the last two resolutions I have read.

Mr. Hays: I will be very pleased to do that.

Mr. Hamilton: Before item 1 goes through I should like the minister to agree that I may discuss crop insurance under the P.F.A.A. heading. As the minister knows, there is no item in the estimates for crop insurance because it comes under supplementaries. I trust it will be all right with the minister if I raise the question of crop insurance under the P.F.A.A. heading, vote 15.

Mr. Hays: Yes.

Mr. Hamilton: Second, I would ask the minister to facilitate the work of the opposition and save our having to ask questions by requesting the department to take each of the votes and give us a list of the major increases and the major decreases, not the small ones but the ones that are sizeable, so that we may have a more complete breakdown than appears in the estimates. If that can be given to us before we next study these estimates I think it will facilitate their passage.

Mr. Hays: The hon. member wants the increase or decrease in each vote?

Mr. Hamilton: Just the major increases and decreases. If there is an increase of over 10 per cent in an item let us have the increase and what caused it and the same thing for the decreases.

Mr. Hays: We will be glad to do that.

[*Translation*]

Mr. Laprise: Mr. Chairman, I wish to take the opportunity afforded by the debate on the estimates of the Department of Agriculture to make a few comments on the present

position of the Canadian farmer, especially the eastern farmer.

Mr. Chairman, I believe that farming falls in a very special category in Canada. In fact, it is the most important profession in Canada, and I think it would be worth while to consider it for a few moments and fully analyse the problems facing farmers, in view of the economic stagnation existing in the country.

Mr. Chairman, may I call it five o'clock?

[*Text*]

Mr. Hays: Mr. Chairman, I wonder whether it would be possible to pass item 1 today. We have had four full days of discussion of this item and I should like to get into the details at the next sitting.

Mr. Hamilton: We agree.

The Deputy Chairman: Shall item 1 carry?

[*Translation*]

Mr. Laprise: Mr. Chairman, it would probably take me about eight or ten minutes to deal with agriculture estimates, before the first item is carried.

[*Text*]

Mr. MacNaught: Mr. Chairman, maybe you would not see the clock for ten minutes.

Mr. Knowles: We would be happy to agree to that.

The Deputy Chairman: Is it agreed that we continue for a few moments with item 1 of the estimates of the Department of Agriculture?

Some hon. Members: Agreed.

[*Translation*]

Mr. Laprise: Mr. Chairman, I thank the house for its kindness and I will do my best to be brief.

For the past few days, that is the period just referred to by the Minister of Agriculture (Mr. Hays), the various problems facing our farmers have been under consideration.

In my opinion, farmers know quite well how to solve their production problems. Indeed, they are assisted in that by their professional associations, organizations and unions which have at their disposal the necessary means to look into these problems.

But another problem which must be urgently settled has to do with the sale of the production. Farmers must not only produce, but they also have to dispose of their production at a reasonable price which will enable them to meet their other obligations.

In the past, people were inclined to think that anyone could be a farmer; this opinion is still current in some circles. I do not agree with that. Today, farming methods are changing more and more, and a farmer must necessarily be conversant with agriculture and moveover be a businessman. In fact, he has to make purchases and if he is not well up in business, he is liable to be cheated sometimes.

In addition, he must have salesmanship; he must know the tricks of the trade in order to make profits. He must also have some knowledge of mechanics, welding and a whole lot of trades; otherwise, he has to make expenditures which are hard on his budget.

In my opinion, contrary to members of all but a few other professions, a true farmer has a variety of skills and that is why he deserves more consideration from the people of Canada. He should be shown greater respect and his income should enable him to enjoy a standard of living comparable to that of any other class of citizens.

There is another point which is of special interest to my riding, that of Chapleau, and that is the situation of farmers under the Unemployment Insurance Act.

I would like for a moment to draw the attention of the minister on this matter. I know it will also interest the Minister of Labour (Mr. MacEachen), but as we are considering the agriculture estimates, I hope the Minister of Agriculture will take due note of it.

In my constituency, farming is far from being a thriving business and, often, the owner of a farm or a plot of land has to find outside work for several months each year. During the period where our farmers work mainly as lumbermen, they have to contribute to the unemployment insurance fund. They often work five, six and even seven months a year away from the farm, but when work in the forest ends, some time in the spring, they are perhaps out of work for a few weeks before farm operations begin. Then, our farmers have to face many difficulties when they wish to draw unemployment benefits. I think it would be advisable to consider the situation more carefully and give the farmer who has a low income the privileges granted other classes of society.

I will not deal further with this matter this evening, in order to allow this first item to be passed. I will make other remarks as the various items are submitted to us.

[*Text*]

The Deputy Chairman: Shall vote 1 carry?

Item agreed to.

Resolution adopted in committee of supply this day reported and concurred in.

The Acting Speaker (Mr. Batten): The house will now proceed to the consideration of private members' business as listed on today's order paper, namely public bills and private bills.

TOBACCO

PROVISION FOR RESTRAINT OF USE

Mr. Barry Mather (New Westminster) moved the second reading of Bill No. C-32, to restrain the use of tobacco.

He said: Mr. Speaker, the aim of this bill is to safeguard the public against misleading claims by manufacturers and distributors of tobacco products. The bill and the proposition contained therein is in line with similar legislation being advanced at this time in the United States by the federal trade commission. Part I of the bill sets forth that it is a finable offence to sell or furnish tobacco products to children under 16 years of age. However, that part of the bill is presently an act and was enacted as early as 1908. The only reason it is in the bill I am putting forward is to avoid having two acts on the same general subject. Part II of the bill, which is the new part, would empower the government to control, in the cause of public health, the labelling, exposing, advertising or promoting of tobacco products, much as we now control the same activities in regard to food and drug standards through the food and drug legislation.

Hon. members are, I am sure, well aware of the steps which have been taken in recent years by many other governments in this phase of public health protection. Such countries as Great Britain, France, the Scandinavian countries, the Soviet union and Italy have taken some action to curb the toll of cigarette disease. In connection with this, Mr. Speaker, I would like to pay tribute to the Minister of National Health and Welfare (Miss LaMarsh) for her action and the leadership she has given, she being the first minister in the federal field in Canada to encourage study and action toward curbing abuses connected with the excessive consumption of cigarettes. As we know, she called a national conference last year at which were represented, I think, all the provincial health departments in Canada, the tobacco industry and other organizations which are concerned with the toll taken by cigarettes.

In passing I would like to say that our provincial government in British Columbia, with which I certainly differ in many other respects, is nevertheless to be commended for having pioneered political action in this field. The minister of health of British Columbia, Hon. Eric Martin, as much as three years ago took an active part in getting provincial action to establish, first of all, funds for educational efforts directed to our younger people to acquaint them with the various tolls taken by excessive smoking of cigarettes. As a matter of fact this next week will mark the fourth annual non-smoking day in British Columbia, which is sponsored by the provincial government of that province.

I am sure hon. members will be aware of the pressing nature of the findings of such organizations as the Royal College of Physicians in Great Britain, the American cancer society, the Canadian Medical Association and several other organizations of that type in regard to exposing the dangers connected with the excessive use of tobacco products. The most recent exposé has been by the United States medical authority, with which we are all familiar.

On this point, and in passing, I would like to call to the attention of hon. members that the only interest these impartial medical authorities have in bringing forward the reports they have brought forward, exposing the dangers of excessive cigarette consumption, is that of public health. They have nothing else to sell. They are not concerned with producing tobacco, advertising it, selling it or displaying it. They are only concerned with helping to maintain and improve the standards of public health. They are impartial in that respect.

Mr. Speaker, there have been many activities under way in the last year or two in line with this general program of combating disease from tobacco products, and I have a quotation or two which I would like to make from a pamphlet which is being circulated just now in Washington state by an organization called the "Governor's Conference on Smoking and Youth." There is to be a meeting next week at Seattle, Washington, a conference on smoking and youth, to be attended by 20 health and youth groups concerned in protecting young people from death and disease from the excessive use of tobacco, particularly cigarettes. I quote from the pamphlet as follows:

> If one adds all of the deaths from auto accidents in the U.S.A., about 40,000 in 1963, all of the deaths from suicide, about 20,000, all of the deaths

from t.b., about 10,000 and all of the deaths from cirrhosis of the liver, about 20,000, which total about 100,000 deaths per year, this would still be half as many as all of the deaths due to tobacco.

As I say, this is a quotation from a pamphlet, from the health sciences report of the University of Washington, to be circulated at the conference meeting next week, to which I have alluded. The report points out that studies of the American cancer society have confirmed earlier studies which show that the total mortality caused by tobacco is probably about six times greater than that ascribed to cancer. The report adds:

We have evidence that young people don't really want to smoke. They feel pressured to smoke to be accepted.

In line with this, Mr. Speaker, it is encouraging to note that within recent weeks some 90 companies, producing some 99 per cent of the cigarettes in the United States, have voluntarily signed a tobacco industry code which bars advertising appealing to youth, including testimonials by athletic notables, or making claims that smoking is allied with virility. I understand, in line with this code that the United States companies have adopted voluntarily, they are taking out pictures of athletes from the cigarette advertising which we see in the United States magazines, and replacing them with pictures of businessmen and politicians, who are not notably connected with virility.

This is a good, practical stand by the tobacco companies in the United States, but I understand they were notified by the fair trade commission that if they did not do so, the United States would shortly bring forward legislation which perhaps would even further limit their advertising and safeguard the problem to a greater degree.

I have personally communicated with the president of the Imperial Tobacco Company in this country, Mr. Keith, pointing out what has been done voluntarily by the American cigarette companies and suggesting that this might be a good example for the companies in Canada to follow voluntarily. I have had a letter from him which encourages me to think that the Imperial Tobacco Company will consider taking a similar stand.

However, Mr. Speaker, I think it should be borne in mind that despite the code which has been voluntarily agreed to by the cigarette companies in the United States, the United States federal government is still pushing forward with the idea of introducing legislation which will call for the labelling of cigarette packages pointing to the potential danger involved from the excessive consumption of the contents of the packages.

This measure which I propose would empower our own health authorities to adopt similar safeguards in Canada, but I would hope the tobacco industry in Canada of its own accord would take similar steps, in its own protection as well as in the protection of the Canadian consumers.

Like many others, Mr. Speaker, I have been working for a good number of years in a voluntary way to try to acquaint the public with, and arouse public interest in the potential dangers of excessive cigarette smoking. In particular I have tried to acquaint young people with those dangers, and I have a great deal of material in my office, which I could quote on this point. I shall not of course take up the time of the house doing that, but I thought it might be of some interest to hon. members if I referred to one or two of the arguments often brought forward by those who claim cigarettes have nothing to do with ill health.

For example, it is sometimes said that there is no scientific proof, and that they have not isolated any particular constituent of cigarettes which experimentally will constantly produce human lung cancer. This is true, but there are numerous instances in history of disease where the relationship between cause and effect was recognized long before absolute scientific proof was forthcoming. For example, even today the germ causing leprosy does not fulfil the scientific requirement linking it with the disease, though of course nobody would deny the contagious nature of this disease which was recognized even before biblical times.

Then it is sometimes said that they do not really know the cause of lung cancer. The same was once said of cholera and typhoid, which were brought under control long before the germs causing them were discovered. This was based on observation that drinking polluted water was associated with disease. If the provision of clean water had had to wait until the discovery of bacteria, thousands of preventable deaths would have occurred.

One final point. It is said sometimes that lung cancer is really due to air pollution, diesel fumes or petrol engine exhausts. These factors may play a very minor part in the causation, but one of the greatest increases is on the island of Jersey which has the highest tobacco consumption per head and the highest male lung cancer death rate in the world. The island has no air pollution problem, few motor vehicles and not a single case of lung

cancer in a non-smoker. Finally, policemen, transport workers and garage attendants all inhale more exhaust fumes than anyone else. They do not get more lung cancer.

If it were possible to leave out all the moral, ethical and health reasons for putting out a cigarette, let me point out two things to those who urge that in the interests of our treasury or of our own tobacco producing areas we should go slow in this direction. First, the non-smoker, or the person who gives up smoking, lives longer. The Royal College of Physicians in Britain states that the chance of dying in the next 10 years for a man age 35 who is a heavy smoker is one in 23. For a non-smoker it is one in 90. If we live longer we produce more and consume more and are taxable further. Second, if a man who now spends $200 a year on cigarettes stops smoking he has an extra $200 a year to spend, and hon. members know how few things which it is possible to buy or do are not taxable today. In Britain, where the government takes in approximately £800 million a year from tobacco taxes they are so convinced of the urgent health need to reduce cigarette smoking that they are content to lose that revenue.

No doubt, Mr. Speaker, a hue and cry will be put up by the producers, advertisers and retailers involved in the tobacco industry against such a health measure as is proposed here, or against such a measure as has been enacted in the United States. No doubt a similar hue and cry would be put up by producers and distributors of opium in eastern countries if their sales were interfered with. But I think there is more than economics involved in this question. Public health, and particularly the health of young people, are concerned. If the measure I am putting forward today were adopted or sent to a committee for consideration we would be doing something to improve the health standards of this country and to safeguard our young people from falling into the trap which at the present time is held out for them. Regardless of the fate of this measure, if any hon. members are interested in a personal way in finding out more about this subject I have leaflets available to them and I will be happy to make them available for perusal.

Mr. Jack Roxburgh (Norfolk): In speaking to this Bill No. C-32, an act to restrain the use of tobacco, may I say at once that I am entirely in accord with part I—the present act to restrain the use of tobacco by young persons. I should like to say, further, that the tobacco industry also believes that this part of the bill is a good one, and has for years believed it to be so. Records show that the tobacco industry is in full support of its intent and purposes and has always done its best to co-operate in any activity designed to promote its observance.

Part II of the bill is another matter. In plain words it will be applied to restrain the use of tobacco in Canada. Clause 13 in particular gives to the governor in council a terrific power—the power to make regulations respecting the labelling, the packaging, the selling, the distributing, the offering, the exposing—whatever that may mean; I do not know—the importing, the testing and the analysis of tobacco in addition to what other regulations may be considered fitting—if there are any other matters left to regulate. Certainly, the adoption of this bill would constitute an entirely unwarranted interference by the government in the affairs of an industry which has always been law abiding and, as I have stated on previous occasions, an industry to which the government owes much from the point of view of revenue and employment. Actually, many of the items which this bill seeks to regulate are already covered by laws having to do with customs and excise, and the regulations made thereunder.

Concerning advertising, section 306 of the Criminal Code already exists to deal with false, deceptive and misleading advertising. This does not relate to tobacco only; it covers all products. In the circumstances it would seem that additional and special regulations to govern tobacco advertising specifically would be discriminatory and inequitable. I should like at this time to correct a wrong impression which people have towards advertising relating to cigarettes or the promotion of cigarette sales. There are four companies manufacturing cigarettes in Canada and these four companies spend approximately between $15 million and $18 million annually on promoting and advertising. The first impression from these figures is to think they represent a tremendous amount of money and that the tobacco companies are really "going to town". However, cigarette advertising amounts, in fact, to less than 3 per cent of total sales value as compared with 9 per cent in the case of proprietary drugs, 8 per cent for soaps—the good old soap opera, and Dr. Kildare—and 7 per cent with regard to alcoholic beverages, the latter figure being about 2⅓ times the amount spent on cigarette advertising. That is our dear old friend John Barleycorn. I am sure members

will agree that these figures show that cigarette advertising volume is consistent with the competitive situation and is not disproportionate or overdone, as many have been led to believe.

To turn, now, to one of the points raised by the hon. member for New Westminster (Mr. Mather), perhaps I could quote what was said by Mr. Keith, president of the Imperial Tobacco Company of Canada with respect to the voluntary self-regulating code recently announced by the cigarette manufacturers in the United States. He stated that the code appears to be a realistic move in terms of the situation in that country and is evidence of the desire of the industry to co-operate with the appropriate authorities. I should like to go into a little more detail and quote one or two excerpts from this code, because I have an idea which I wish to develop. They are as follows:

1. Cigarette advertising shall not appear on T.V. and radio programs or in publications directed primarily to persons under 21 years of age;

2. Cigarette advertising shall not represent that cigarette smoking is essential to social prominence, distinction, success or sexual attraction.

Incidentally, all models used must be over 25 years of age and this practice has been followed in Canada for some time.

3. Cigarette advertising shall not depict as a smoker any person well known as being or having been an athlete.

I wonder if as much can be said with regard to the advertising of other products. The other night I watched a television show sponsored by a certain product that is doing more damage to the people of this country than the cigarette or smoking industry. This position regarding the prowess of athletes and problems of social distinction was taken in connection with this problem. I am not going to mention any names, but you can judge for yourselves. In Canada, we have already moved our television program to 9 p.m.

I should like to deal with labelling. The suggested labelling proposals in this bill appear to be based on the assumption that the hypotheses linking smoking and various human diseases have been proven. The hon. member for New Westminster (Mr. Mather) has already stated that it has not yet been proven. He has given certain illustrations that he feels are O.K. However, I want to say that the ingredient or ingredients in tobacco or tobacco smoke said to be causing cancer have not yet been isolated or proven to be the cause. The labelling of tobacco products as indicated in the bill would not only be illogical but also very unrealistic, unscientific and therefore misleading. The mere listing of the constituents of tobacco smoke would have no meaning to the consumer or purchaser of tobacco products. If they are not producing the cancer, why should they be put on the label? At the same time such labelling, meaningless as it may be, would unjustly be placing a sort of stigma on the tobacco products themselves.

We have read about the report of the advisory committee to the surgeon general of the public health service of the United States. Like my hon. friend, I can quote reams and reams of statistics. However, the attitude toward cigarette smoking has undergone a big change since this report first came out. I should like to say that we are now reading such headlines as "Cigarettes are safer now, say cancer scientists". Dr. Ernest L. Wynder and Dr. Dietrich Hoffman, of the Sloan Kettering Institute, New York city, say that the majority of filter tip cigarettes now contain less cancer inducing properties than cigarettes formerly did. Dr. Wynder was one of the members of the first research group to point to an association between cigarette smoking and lung cancer. Now, he has made the statement to which I have just referred.

It was pointed out also that different types of tobacco used in cigarettes have made a difference. This brings to the fore again the fact that more money and time should be devoted to research, as I mentioned in my motion two weeks ago.

Many statements that have been made, and are still being made, in this anti-cigarette smoking campaign have been proven to be erroneous. It seems too bad that a number of these statements have been made by men of good repute who are dealing with something outside their field of endeavour. When a person deals with something outside his own field of endeavour, he is generally running into trouble. For example, Dr. R. G. Williams is reported by the Calgary *Herald* as having stated:

The percentage of arsenic, a cancer causing agent, has been increasing year by year in tobacco as a result of insect spraying.

I am going to say that nothing could be further from the truth, and I will tell you why. This is something about which I happen to know a little bit. In Canada, little or no arsenic has been used as a spray or otherwise in the tobacco fields for the past 10 to 15 years. Proof of this is the fact that in Canadian cigarettes the arsenic level in tobacco smoke is one part per million, well below

the five parts per million allowed by the Canada Food and Drugs Act. I am not saying that such statements are made by one side only. Possibly they are made by both sides. However, when they are made by men with an M.D. after their names, the average person takes that statement as definite proof.

It may be all right for the federal authorities to sponsor a report on smoking, but it is quite another matter for them to try to control the habit. If they are sincere in trying to protect the people against themselves, then let us not forget that we are trying to protect people against themselves. They decide they want to smoke. They decide they want to take a drink. They decide they want to have ten cups of coffee per day. They decide they want to eat certain things, and this is their business. This is not the government's business. The government can advise them not to do it, but the government cannot force them to stop it.

Let us remember that most experts concede that urban air pollution, which is carbon monoxide, probably possesses much the same peril, and efforts to control it have not been noticeably successful. Because of this peril, are we going to say that the government should dismantle those industries which contribute to air pollution?

Then, there is that good old friend of ours that I should like to mention once more, old John Barleycorn. I have not anything against John—I mean John Barleycorn. However, it is estimated that there are some 250,000 alcoholics in Canada. If one includes their families, this means that there are perhaps a million persons affected by alcoholism. Then, there is cirrhosis of the liver, and other diseases that are brought on by alcoholism. If everybody is sincere in protecting people against themselves, why do they select one product in connection with which to take action? Most hon. members may have heard of North Carolina's most illustrious son, the late Joseph Daniels, who was a real fighter against alcohol and a real fighter against smoking. At one time he said that he never knew a man to beat his wife because he smoked.

There still remains that controversial subject of cholesterol. Are we going to put in legislation to stop people from eating butter, eggs or putting cream in their coffee? Every one of these products contribute to cholesterol. Here is something that is very interesting, and I know hon. members will be interested in it. Not only is the brain rich in cholesterol but cholesterol contains the same nucleus as sex hormones and, therefore, is not to be deprecated. My gosh, perish the thought. I can see an unproductive generation in the future if you give the government too much power.

Finally I want to ask hon. members, including the hon. member for New Westminster, if they realize what it will mean if this bill is passed? It will give the governor in council complete power and control over every individual connected directly or indirectly with the tobacco business. If you look at it closely, you will realize it is just about as bad as, if not worse than the recent police bill introduced by Hon. Frederick Cass in the Ontario legislature. If this bill is passed it will be the first step toward doing away with everything for which democracy stands, from freedom of speech to the freedom of free enterprise, with free enterprise competing as it should under laws that are equal for all. I feel sure that the governor in council would hate like the very old dickens to try to implement this bill.

In conclusion, I just want to say that this type of bill gives far too much power and control to the governor in council.

Mr. Mather: One question before the hon. member sits down. He made reference to doctors making statements about cigarette consumption. I wonder whether he knows that in Britain over 60 per cent of the doctors have now given up cigarettes, and that 54 per cent are now non-smokers as compared with only 24 per cent of all British males?

Mr. Roxburgh: Well, possibly that is right if the hon. member has the figures. But there is a lot of smog in Britain and I do not know whether that has anything to do with it. I did not say anything about the doctors. I said that a doctor made a statement in a field he knew nothing about. I do not want to take away anything from the doctors, because I have the highest respect for the medical association. But if the hon. member or myself or anyone else goes out of his own field and makes a statement, he had better make sure it is correct. I did not say anything about the doctors otherwise, because I have the highest respect for them.

Mr. J. A. McBain (Elgin): Mr. Speaker, Bill No. C-32, if passed, would endeavour to restrain the use of tobacco by young persons under the age of 16 years. It also provides certain penalties for offences under the act committed by those persons who sell or furnish cigarettes, cigarette papers, or tobacco in other forms. The penalty applies to those

under 16 who may be found smoking or chewing tobacco in streets or public places.

The hon. member has long been interested in endeavouring to restrain the smoking of tobacco by juveniles and those not so juvenile, and this part of the bill I commend. I think we are all quite concerned at the use of tobacco among our young people, those between 12 and 17 years of age. I also think we are quite concerned why these young people are forming these smoking habits in their early teens.

I was interested in a clipping I picked up headed "Survey finds smoking habit increasing among teenagers". The article is written by a Mr. Jack Hutton and says in part:

> The number of Canadian teenagers hooked for life on smoking is increasing every day, according to a survey by this column.
>
> This phenomenon is happening every day in every city, town or village in Canada—despite the strongest warning campaign we've ever known.
>
> A Vancouver 14-year-old girl summed it up. "If you don't accept a cigarette, you aren't counted as one of the group. And who wants to be out?"
>
> Very few teenagers have what it takes to "be out", according to our correspondents. The same pattern showed up all across the country: Teenagers aren't listening to warnings about the dangers of smoking.
>
> The question came up several months ago when I mentioned the fact that the Canadian cancer society and several other groups are worried that smoking seems to be a status symbol for teenagers.
>
> A small pin for those who decided to bypass smoking was produced several months ago. But I personally have never noticed one on anyone. What happened to the pins I don't know.

I think the hon. member who introduced this bill this afternoon was one of those who was endeavouring to provide pins for non-smokers. The article continues:

> The first letters answering the column were all from readers who scoffed at warnings about smoking. This didn't bother me—at first. What did alarm me was that no one spoke up for the other side.
>
> Therefore, several friends have conducted private surveys during the last three months. Each kept a small notebook handy during August, September and October, quietly jotting down opinions of their friends.

Now, Mr. Speaker, these are some of the opinions:

> What emerged were capsule comments from almost 500 teenagers, ranging in age from 13 to 19. Many said they were already smoking "a pack a day" by the age of 15. Some had developed the habit by 13.
>
> Here's what a Winnipeg 16-year-old boy had to say. "The warnings we hear would be a lot more impressive if we didn't see adults disregarding their own advice every minute of the day."
>
> "The Canadian Medical Association frowns on smoking but the heaviest smoker I know is a doctor who lives close to us. And I could never place much stock in what my folks said because they'd die without a morning cigarette."
>
> A Halifax 17-year-old girl was one person who didn't smoke. But she added: "I was in a restaurant the other day sitting next to a booth where a girl was taking a merciless kidding from friends because she didn't smoke.
>
> "Every time they lit up a cigarette, someone would offer her one and act surprised when she refused. They were calling her 'Mama's girl,' and I even think her boy friend was embarrassed.
>
> "Finally, just before I left, the poor girl took a cigarette. They all broke out in cheers and her date beamed from ear to ear. What a sad thing to see."
>
> I asked my correspondents to ask whether advertising was the main factor in influencing their friends. Very few said that it was. The gang was a far more important factor in almost every case.

From that article it seems that the people to educate are the parents of young children. With both mother and father in many cases working today, it seems to me that there is very little surveillance given the children in the teenage class. They are left pretty well to roam as they please and they naturally fall under the influence of older persons and especially of cigarette smokers.

If this bill were passed, applying these penalties, especially to those under 16 smoking in the street or a public place, does not seem to me to be the answer. You will drive them underground. If these penalties are enforced these people will go into a secluded place, a cellar or backyard to carry on their smoking habits. That is not what we wish to accomplish. I was interested in a news report this morning to the effect that one of our prominent tobacco companies hoped that within an 18-month period they would be able to produce a cigarette on the market with all possible causes of lung cancer removed from it. I hope this can be accomplished within a lesser period of time than that. I know that all our tobacco companies are doing research work in an attempt to find what are the main possible causes of lung cancer in so far as cigarettes are concerned, and they have spent thousands and thousands of dollars in research programs of their own.

At the present time our agriculture committee is studying the production of tobacco, and I hope that when their report is brought in it will recommend that sufficient money be set aside to enable research to be carried out by the Department of Agriculture into possible causes of lung cancer. The tobacco growers will also welcome that research. The tobacco companies would wish to co-operate 100 per cent in that type of work, and I am sure that everyone across the country would appreciate such studies.

I was also interested in another article by a prominent writer, a person by the name of Scott Young of the *Globe and Mail*. Scott Young apparently has a couple of teenage boys and he has used various methods in an attempt to stop them smoking. I think hon. members might be interested in a few extracts from this article.

Mr. Young says:

I can't think of a better way to bring on an acute case of restiveness among taxpayers than Wednesday's report that we are going to spend $600,000 of public money to discourage cigarette smoking.

Incidentally, this article appeared in the *Globe and Mail* of November 29, 1963. He goes on to say:

This is going to be divided as follows: $400,000 to tell youngsters that smoking is bad for them and $200,000 for research into why people start smoking and don't stop.

Couldn't we possibly find some way to tell youngsters, equally uselessly, that smoking is bad for them without it costing $400,000? I have an impulse to suggest that this anti-cigarette message be worked into beer commercials, but I guess I'd better not.

Miss Judy LaMarsh, Minister of National Health and Welfare (or, on alternate days, of national health and hellfire) announced this effective new method of throwing money down the drain after the closing session of the Canadian conference on smoking and health.

She said the educational program would not try to scare the children. This seems reasonable. You tell them that if they don't give up the weed they'll be dead at 40. They look around at the world of atomic weapons, death rates on highways, and all the other ways they might wind up dead by 40 anyway and they say, "So what else is new?"

They don't pay any more attention to the lung cancer threat than boys and girls of my generation did to being told that cigarettes would stunt their growth.

Miss LaMarsh has suggested that one method of persuasion might be an advertising campaign in which noted athletes and other celebrities tell why they don't smoke. This would not be worth the powder to blow it up. The same advertising agencies who picked up the loose change on the anti-cigarette campaign would be busy in another part of the office churning out ads in which athletes and other celebrities endorsed certain brands of cigarettes. This they'll do just as rapidly as they'll endorse a breakfast food, if the price is right.

If it has any pertinence here, I smoke, but not cigarettes. My two sons do. I tried every parental gambit to discourage them. With one, at the age of 14 or 15, every time I saw him smoking I had him write out a $2 cheque and forward it to the society for retarded children, and made sure that the subtlety was not lost on him. He kept on smoking.

The fact is that children have been fed anti-smoking propaganda ever since cigarettes were invented. It has had no effect at all. Their heroes smoke. Their heroines smoke. Even their parents, who fall into neither category but have a certain influence in some households, usually smoke. So some young people of considerable common sense smoke, and so do some stupid ones. It's a habit they acquire from adults—

One encouraging piece of information indicating that maybe tobacco can be put to a better use than smoking is an article headed, "Don't Tell Judy, But Pigs Thrive on Nip of Nicotine". Possibly we have at last found an agricultural use for tobacco in providing nicotine in pig feed. The article reads as follows:

It makes them attractively leaner and saves on food, say the results of tests conducted at the Nappan, N.S., research station of the federal agriculture department. Net profit was $1.30 to $1.70 higher for each animal taking nicotine than for porkers who didn't.

Dr. Hugh M. Cunningham of the Nappan station began seven years ago to try and produce a leaner pig. Now, says a department report, he has found that nicotine stimulates the release of a hormone from the adrenal glands which trims fat and increases the growth of the lean tissue much desired for bacons and hams. Thus, simply by adding five parts per one million of nicotine sulfate, the test pigs showed these desirable changes.

In closing I wish to commend the hon. member for introducing the bill. As I said at the beginning, if the bill were passed it would not have the desired effects but would create the possibility of more than ever driving our young people underground to carry on their smoking habits.

Mr. H. A. Olson (Medicine Hat): Mr. Speaker, in the three or four minutes left to me I want to say that as far as the first part of the bill is concerned there is apparently unanimous agreement throughout the house that this is a good piece of legislation. If they do not agree with what is written in the legislation, at least all of those who have taken part in this debate agree that it is desirable to discourage our young people from starting to smoke and acquiring a habit that they cannot leave. The motive behind this part of the bill, of course, is to discourage young people from smoking when they are young so that they will not be habitual smokers when they grow up.

There are some contradictions in the actions that have been taken by the present and former federal governments with respect to tobacco. I think it is fair to say that all members of the house—I know the members of our party would—would unanimously support the providing of additional funds for research to find a way of producing what might be called safe cigarettes, if such a thing can be found. I am not suggesting that any good purpose is served so far as the human body is concerned in people smoking, but I think we must face up to the fact that people do

smoke and probably will continue to do so. Therefore, for the good of the nation additional funds should be provided for research along this line.

I know that we have authorized something like $600,000 for the purpose of educating our young people to refrain from taking up the habit in the first instance, while on the other hand we are spending funds through the agricultural stabilization board for the production of tobacco and also on research to enhance the production of tobacco. This may seem inconsistent, but it is not if we consider other products. There are other products with regard to which we pay money out of the federal treasury in the form of subsidies to assist production and at the same time we also make payments out of the federal treasury to get rid of the surpluses that are produced.

I see it is very close to six o'clock, Mr. Speaker, and I simply want to say that we are in favour of the first part of the bill, but so far as the second part is concerned I would say that while it may seem desirable, I think that from a practical point of view we would be far better to spend our money in trying to find some way that tobacco can be used safely, if such a way exists.

The Acting Speaker (Mr. Batten): Order. The hour for consideration of private members' business has expired.

BUSINESS OF THE HOUSE

Mr. Churchill: Mr. Speaker, I would ask the house leader to let us know what the business will be for Monday and Tuesday.

Mr. Favreau: Mr. Speaker, beginning on Monday we will proceed with the debate on the resolution preceding the measure to amend the National Housing Act, which the Postmaster General is in the process of dealing with, after which we will proceed with the second reading of the measure to amend the Farm Credit Act, after which we will proceed with the debate on a measure seeking approval of the Columbia river treaty and protocol.

Mr. Diefenbaker: Mr. Speaker, can the minister tell us when the two flag resolution will come up?

Mr. Favreau: Mr. Speaker, the Prime Minister will announce either Monday or Tuesday the date when the debate on the resolutions concerning the flag and the national anthem will begin.

Mr. Knowles: Mr. Speaker, I wonder whether I might ask the house leader a question. Can it be taken for granted that as soon as the provinces have agreed to the proposed amendment to the British North America Act respecting the Canada pension plan, that resolution will be presented to the house at that time?

Mr. Favreau: That, Mr. Speaker, can be taken for granted.

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

[The following item was passed in committee of supply this day:]

DEPARTMENT OF AGRICULTURE

Administration—

1. Departmental administration including the national co-ordinating committee on agricultural services, contributions to commonwealth agricultural bureaux and a contribution to the agricultural economics research council in an amount equal to the contributions of the provinces but not exceeding $50,000, $3,368,900.

HOUSE OF COMMONS

Monday, June 1, 1964

The house met at 2.30 p.m.

HOUSE OF COMMONS

PRESENCE IN GALLERY OF PRESIDENT OF IRELAND

Right Hon. L. B. Pearson (Prime Minister): I have the honour of welcoming to this house the President of Ireland, Mr. Éamon de Valéra.

Mr. de Valéra is President of a state which is more than a country; it is the motherland of millions of citizens of many other lands. The emerald isle and its friendly, warm and hospitable people have endeared themselves to millions who have not the privilege of having Irish blood in their veins. Ireland is a land which has sent to the world poets and presidents and policemen. It is a small island, but it has been responsible for great things including nearly two million Canadians of Irish birth or descent.

Our two countries have the closest and friendliest of relations. They have worked together at the United Nations and elsewhere, closely and harmoniously for peace, security and freedom in the world.

We welcome our guest to this parliament, not only as President but also as a man of great personal distinction, of passionate patriotism, of intellectual achievement and of great moral integrity. We hope that the president and the minister for external affairs, Mr. Aiken, who is with him, and other members of the party will have a happy visit to Canada. They are very, very welcome.

Some hon. Members: Hear, hear.

Right Hon. J. G. Diefenbaker (Leader of the Opposition): Mr. Speaker, all of us will join with the Prime Minister in his words of welcome to the President of the Republic of Ireland. The Prime Minister, with that modesty that all of Irish origin have, did not point out directly that he is a distinguished descendant of ancestors among those two million Irish or of Irish origin who came to Canada and have established themselves here. Indeed, outside of the emerald isle, the United Kingdom, and the United States there are more persons of Irish origin in Canada than in any other country of the world. We welcome the President for what he is, the position he occupies, his contribution to world peace as president of the league of nations and as one whose dedication has been to good relations with the other countries of the world.

I had the privilege of visiting the republic in 1961, when my wife and I were guests of the President and Mrs. de Valéra for lunch. At that time I was able to view something of what Ireland's contribution had been to Canada. On that occasion I presented a plaque in commemoration of what had been done by Thomas D'Arcy McGee, who in 1848 left Ireland in rather precipitated circumstances and in 1864 or 1865 became one of the tribunes of our confederation. I would point out that only very recently have we discovered, as a result of the writing of the history of Canada by Gustave Lanctot, that the Irish were the first to find North America. Up to the present time it has been generally believed it was the Vikings or people from the Nordic countries, but according to this historian the Irish were here in 874 A.D., some 660 years before Jacques Cartier discovered Canada.

I recall with deep interest my visit to Ireland and an experience that I hope the house will allow me to clarify once and for all. Before I arrived there the Canadian ambassador received a cable to the effect that I would be arriving and Champagne would be with me. That caused a great deal of surprise and consternation. One of the members of my staff, Mr. Gilbert Champagne, was in my party, and it was only after arrival that the matter was clarified not only for the Canadian embassy but also for our hosts in Ireland.

I join in welcoming this distinguished visitor, and I hope that for many years to come he will continue to adorn the position he holds; that he will pursue the ways of peace and the leadership he has given to his own country, as well as through the United Nations in the interests of peace everywhere.

Mr. T. C. Douglas (Burnaby-Coquitlam): Mr. Speaker, the members of this party join with the government and the official opposition in extending a welcome to the President of the Republic of Ireland. Mr. de Valéra is one of the great figures of Irish history. He has dedicated his life to his belief in the right of the Irish people to govern themselves, and in his struggle to bring that belief to fruition he was the outstanding leader of the Irish rebellion and for the past quarter of a century has been the leader of the Irish people.

Distinguished Visitor

One of the great characteristics of the President of Ireland has been his unyielding integrity. This has been paid tribute to not only by his friends but even by his opponents. Mr. Lloyd George once wrote of him "Mr. de Valéra is perfectly unique, and this poor distracted world can be thankful that he was unique". Mr. Speaker, he has used his unique gifts not only for the benefit of his own people but for the benefit of mankind at large. He was, as has already been mentioned, president in 1932 of the league of nations council, and in 1938 president of the league of nations assembly. Today Irish forces are partners with Canadians in the United Nations peace keeping force in Cyprus.

As one who was born in Scotland, we Scots have a deep feeling of kinship with the Irish since we both have had some trouble with the English in days gone by. However, our approach was different. The Irish chose to fight them; we infiltrated into England and took over all the positions of influence. The end results however, Mr. Speaker, I think will in the long run be for the good of humanity.

Today the President of Ireland is an honoured guest in Canada, he is full of honors and we bid him a thousand welcomes.

Mr. R. N. Thompson (Red Deer): Mr. Speaker, it is a privilege to join with the Prime Minister (Mr. Pearson) and with the leaders of the other parties in this house in welcoming President Eamon de Valéra to our midst. We pray that his visit to Canada will convey to him the keen and warm friendship which all Canadians have toward his country and toward himself. As I look back on the period of history which Mr. de Valéra represents I cannot help but think of him as a man who put aside his own personal interests and dedicated his life to a dream, saw that dream become a nation, and then had the privilege of leading that nation to a position of respect and high regard amongst all freedom loving peoples of the world. Thus on behalf of our party I join with others in saying welcome to Canada.

[*Translation*]

Mr. Gilles Grégoire (Lapointe): Mr. Speaker, it is also a pleasure for us, on this side of the house, to extend the warmest welcome to Canada to the President of the Republic of Ireland.

In the province of Quebec there are a great number of people of Irish origin, and we are very glad and very proud to have them as Canadian citizens and citizens of the province of Quebec.

[Mr. Douglas.]

Mr. Speaker, I think we can assure the President of the Republic of Ireland that the history of the people and the President of Ireland in the conquest of their country's independence is well known in the province of Quebec. The people of Ireland has certainly set an example for us and the whole world by its courage and energy. We are glad to welcome in our country the President of this valiant nation.

[*Text*]

Mr. Speaker: May I take this opportunity of extending to all honourable Senators and all hon. members of the house, especially those of Irish origin, an invitation to meet the President of Ireland in the Speaker's chamber shortly. We will meet there within a few minutes, and I hope we will have a quorum left in the house.

PROCEDURE

CONCURRENCE IN EIGHTH REPORT OF SPECIAL COMMITTEE

Mr. J. E. Walker (York Centre): Mr. Speaker, on behalf of the hon. member for Edmonton West, under whose genial chairmanship I have been a member of the special subcommittee on procedure and organization, I am pleased to move concurrence in the eighth report. It is a simple report and was approved unanimously by all party membership of the committee. It will serve to clarify the order paper, giving the week's business in the proper order. This should be of some assistance, even to the older members of this house, let alone the newer members, who have had some difficulty in following the week's procedure.

Mr. G. W. Baldwin (Peace River): I am glad to say, on behalf of this committee, that this is a very acceptable amendment. While I was not a member of the subcommittee, I can say the report was discussed and approved with unanimity at a meeting of the main committee. As the hon. member who moved the motion said, this change will serve a very useful purpose. Apart from anything else, I hope when it is put into effect it will help us, by merely looking at the order paper, to know where we are and where we are going.

Motion agreed to.

ROOSEVELT CAMPOBELLO PARK

ESTABLISHMENT OF COMMISSION TO ADMINISTER INTERNATIONAL PARK

Right Hon. L. B. Pearson (Prime Minister) moved the first reading of Bill No. S-26 (from

the Senate), respecting the commission established to administer the Roosevelt Campobello international park.

Motion agreed to and bill read the first time.

QUESTIONS

(Questions answered orally are indicated by an asterisk.)

EMPLOYMENT IN POST OFFICE CONSTRUCTION, WESTCHESTER, N.S.

Question No. 857—**Mr. Coates:**

How many man hours of employment were available to residents of Westchester, Cumberland county, N.S., in the construction of the post office in that community?

Mr. Deschatelets: A total of 269 man hours.

GRANT TO HIGHLAND VIEW HOSPITAL, AMHERST, N.S.

Question No. 957—**Mr. Coates:**

What is the amount of the grant that will be made available to the Highland View hospital commission, Amherst, Nova Scotia, to assist in the construction of the extension to the Highland View hospital?

Miss LaMarsh: Federal assistance approved under the hospital construction grant, to assist in construction of the extension to the Highland View hospital, Amherst, Nova Scotia, amounts to $283,500.

IMPROVEMENTS TO CENTRE BLOCK OFFICES

Question No. 998—**Mr. Tucker:**

Will consideration be given to the making of temporary improvements to the many poorly ventilated offices in the centre block until the rooms have been air conditioned, in view of the possibility of a short summer recess?

Mr. Deschatelets: Plans for renovating the centre block will include ventilation improvements and will be carried out as soon as possible. Temporary ventilation improvements are not advisable as the electrical and power distribution systems could not carry this additional load.

FATAL ACCIDENTS

Question No. 1,051—**Mr. MacLean (Queens):**

During the calendar year 1963, how many fatalities occurred in Canada as the result of (a) aircraft accidents (b) boating accidents (c) fires (d) motor vehicle traffic accidents?

Answer: Fatalities due to certain types of accidents in 1963: (a) Aircraft accidents, 220. (b) Accidents involving watercraft, which includes rafts to large ships, according to the international classification of diseases:

drowning involving small craft (under 10 person capacity)	271
drowning involving other watercraft	20
falls involving watercraft	7
machinery accidents in watercraft	1
other accidents involving watercraft	8
Total	307

(c) Fires, 584. (d) Motor vehicle traffic accidents, 4,367.

SAFETY STANDARDS FOR MOTOR VEHICLES

Question No. 1,052—**Mr. MacLean (Queens):**

Is the government contemplating the introduction of any legislation which would require motor vehicle manufacturers to have their products meet certain safety standards as far as design and manufacture are concerned?

Miss LaMarsh: The federal government has not contemplated such legislation as safety features on motor vehicles have been regulated by the provinces under the various highway traffic acts.

*REPORTS OF RADIATION PROTECTION DIVISION

Question No. 1,060—**Mr. Rynard:**

1. Have any experiments been carried out recently in Canada, similar to those taking place in England, to determine whether there has been an increase of strontium 90 in children's bones in 1963 and, if so, will the results of these experiments be available to the house?

2. What further research has been carried out in tests being conducted among the Eskimos and in samples of reindeer meat and bones to determine the concentration of Cs 137 and strontium 90?

3. Was a monthly report published since February 1964, by the radiation protection division?

4. Did the radiation protection division issue an annual report for 1963?

Mr. Munro: 1. Studies of strontium 90 in human bones from all age groups are a continuing part of the fall-out program conducted by the radiation protection division of the Department of National Health and welfare. Results are published as they become available in the monthly report "Data from Radiation Protection Programs". The February report was tabled in the house on March 24 and the March report on May 20. The next report is expected in a few weeks.

2. The study of fall-out levels in the north is a continuing one. In addition to the air, precipitation and soil measurements which have been going on for a number of years, a special investigation of caesium 137 in reindeer, caribou and moose meat and in urine specimens from northern residents was initiated last year. Some animal bone samples were also analysed for strontium 90 to obtain a preliminary estimate of the need for strontium 90 studies; these have now been replaced with requests for human bone specimens. Results from this program are also reported periodically in the monthly report

"Data from Radiation Protection Programs".

3. Yes, the March, 1964 report has just been published and was tabled in the house on May 20.

4. No; the complete set of monthly reports vol. 1, Nos. 1-12, contains all the data gathered by the division during the year.

ARDA PROJECTS, NOVA SCOTIA

Question No. 1,075—**Mr. MacEwan:**

What are the ARDA projects in the province of Nova Scotia, and the location and particulars of each?

Answer:

ARDA PROJECTS

Number	Description	Status	Shareable portion of total cost	Federal share
			$	$
3001	Alternate land use—acquisition of marginal and related lands for forestry and recreational purposes	Approved	17,540.00	8,770.00
3002	Alternate land use—development of the Cape Mabou community pasture, Inverness county	Approved	8,000.00	4,000.00
3003	Alternate land use—development of the Minudie community pasture, Cumberland county	Approved	24,800.42	12,400.21
3004	Alternate land use—development of the Cape John community pasture, Pictou county and the acquisition of 200 additional acres	Approved	14,000.00	8,333.00
3005	Alternate land use—development of the Wickwire community pasture, Kings county	Approved	14,000.98	7,000.49
3006	Soil and water conservation—development of rural ponds for irrigation, stock watering, fire protection and recreation in five delineated pilot areas during 1963–64	Approved	36,000.00	18,000.00
3007	Soil and water conservation—development of rural ponds, as outlined for project 3006, throughout the province during 1963–64	Not approved	21,000.00	7,000.00
3008	Soil and water conservation—land clearing and surface ditching to bring into production good agricultural land on small farm units in five delineated pilot areas during 1963–64	Approved	75,000.00	37,500.00
3009	Soil and water conservation—land clearing and surface ditching, as outlined for project 3008, throughout the province during 1963–64	Not approved	45,000.00	15,000.00
3010	Soil and water conservation—tile drainage to improve farms in five delineated pilot areas during 1963–64	Approved	33,700.00	16,850.00
3011	Soil and water conservation—tile drainage to improve farms throughout the province during 1963–64	Not approved	14,500.00	4,829.00
3012	Soil and water conservation—land clearing, surface ditching and the construction of rural ponds to enlarge farm units, improve production and provide a water supply in five delineated pilot areas during 1962–63	Approved	34,000.00	17,000.00
3013	Soil and water conservation—land clearing, surface ditching and the construction of rural ponds, as outlined for project 3012, throughout the province, during 1962–63	Not approved	15,470.35	5,156.78
3014	Soil and water conservation—tile drainage to improve farms in five delineated pilot areas during 1962–63	Approved	11,000.00	5,500.00

ARDA PROJECTS

Number	Description	Status	Shareable portion of total cost	Federal share
			$	$
3015	Alternate land use—purchase and development of the Cheticamp Island community pasture in Inverness county, serving 15 to 20 small farms, to be leased to the co-operative group presently owining the area	Approved	12,802.50	7,651.25
3016	Research—to extend and complete work on a land usage study in the Annapolis valley area	Approved	1,200.00	600.00
3017	Alternate land use—acquisition and development of marginal lands as the Cape Mabou community pasture in Inverness county	Approved	18,000.00	10,000.00
3018	Research—to provide added research resources in order to hasten the completion of explorations into a developmental model and central study for Digby county	Approved	5,000.00	2,500.00
3019	Research—to carry out a socio-economic study of the Musquodoboit river valley area	Approved	1,800.00	900.00
3020	Soil and water conservation—to complete the Dewey creek pond at Canard, King's county	Approved	2,000.00	1,000.00
3021	Research—to conduct a study in the Bridgeport-Gardiner area of Cape Breton county to ascertain the feasibility of promoting agricultural development	Approved	2,000.00	1,000.00
3022	Research—residential adult education study in association with P.E.I. and N.B. (projects 2018 and 4016) to examine the need for residential education facilities and resources, and to develop a plan to establish centres for continuing education if a need is shown	Approved	4,500.00	2,250.00
3023	Part of over-all plan to provide additional training for selected staff members, who may be expected to assume important roles in the development and implementation of the ARDA program in Nova Scotia	Not approved	21,735.00	10,867.00
3024	To obtain soil capability ratings of all soil units which have been mapped by soil survey organizations	Approved	13,500.00	13.500.00
3025	Soil and water conservation—to carry out temporary protective measures to prevent serious river erosion damage to agricultural land situated in the Stewiacke river valley	Approved	6,000.00	3,000.00
3026	Soil and water conservation—to undertake a limited amount of erosion control work to alleviate some of the more urgent problems of river erosion and to obtain experience and knowledge in techniques and methods, which can be used to correct or control problems of river erosion	Approved	60,000.00	30,000.00

3027	To investigate the hog industry within a large hog breeding station at Scotsburn, Pictou county to arrive at solutions to problems of the industry in the pilot rural development research region	Not approved	10,000.00	10,000.00
3028	Research—to investigate methods of weaving and suitable types of looms as a basis for establishing a cottage craft industry in western Nova Scotia	Approved	1,000.00	500.00
3029	Alternate land use—to acquire marginal and related lands for recreational purposes during the year ending March 31, 1964	Approved	90,000.00	45,000.00
3030	Alternate land use—to acquire marginal and submarginal lands for reforestration purposes during the year ending March 31, 1964	Approved	70,000.00	35,000.00
3031	Alternate land use—to acquire marginal and submarginal lands for the development of municipal forests	Approved	15,000.00	7,500.00
3032	Alternate land use—to extend the demonstration area of the maple sugar pilot plants in Guysborough and Cumberland counties	Approved	9,000.00	4,500.00
3033	Alternate land use—to develop submarginal and related crown lands as picnic areas	Consideration deferred until rural development areas designated	20,000.00	10,000.00
3034	Alternate land use—to give technical assistance and advice in woodlot development	Approved	20,000.00	10,000.00
3035	Alternate land use—development of crown lands for blueberry production	Approved	12,000.00	6,000.00
3036	A study to determine the quantity and quality of the peat moss in the bogs of Guysborough county with a view to the feasibility of establishing an industry in this field	Approved	2,650.00	1,325.00
3037	Alternate land use—to employ a land-breaking supervisor to work on projects 3008 and 3010 so as to fill the need for technical advice and administrative assistance	Withdrawn	2,650.00	1,325.00
3038	Research—to stimulate and encourage rural residents to organize themselves into some type of community, county, or area development body	Under consideration	18,900.00	9,450.00
3040	Soil and water conservation—to continue the work outlined for project No. 3006 during 1963–64	Under consideration	36,000.00	18,000.00
3041	Soil and water conservation—to continue the work outlined for project No. 3010 during 1963–64	Under consideration	33,700.00	16,850.00
3042	Soil and water conservation—to continue the work outlined for project No. 3008 during 1963–64	Under consideration	86,650.00	43,325.00

Questions

*SOCIAL INSURANCE REGISTRATIONS

Question No. 1,094—**Mr. Regan:**

1. How many persons have registered to date for social insurance number cards?
2. Of the estimated eligible total, what percentage has registered to date?
3. Of the total registered, what percentage has registered voluntarily?

Mr. Byrne: 1. 3,722,840.

2. 62 per cent.

3. Not available.

REHABILITATION PROGRAMS FOR RETIRED SERVICE OFFICERS

Question No. 1,097—**Mr. Thompson:**

1. Will service officers who have been forced into premature retirement be allowed to qualify for the benefits of the Veterans Land Act?
2. Specifically, in what other rehabilitation programs will these officers be permitted to participate?

Mr. Teillet: 1. The personnel concerned may apply for qualification for the benefits of the Veterans Land Act provided they are eligible to do so on the basis of their service in world war II or with the Korea special force and, if they have had alternative rehabilitation benefits to those of the Veterans Land Act, provided it is possible for them to restore their eligibility.

2. No such programs are available through the Department of Veterans Affairs unless an officer had qualifying service during world war II or in the Korea special force.

TRADE MISSION ON PREFABRICATED HOUSES

Question No. 1,120—**Mr. Latulippe:**

1. Who are the members of the Canadian trade mission leaving the country on May 22 in order to study the question of outlets for prefabricated houses in Europe and what are, in detail, the aims of such a mission?
2. To which countries were the main exports of this industry directed last year and what was the value, by country, of such exports?
3. What countries will be visited by the mission?
4. What countries indicated their intention of meeting the delegation?

[*Translation*]

Answer: 1. The members of the Canadian trade mission are the following:

Mr. Harold H. Alexander, President of Muttart Builders Supplies (Ont.) Ltd., Toronto, Ont.

Mr. Sol Burke, vice president of The Colonial Homes Limited, West Hill, Ont.

Mr. Peter G. Dueck, General Manager of Dueck Homes Ltd., Clearbrook (B.C.)

Mr. D. K. Geburt, Executive Assistant, M. F. Schurman Company Ltd., Summerside (P.E.I.)

Mr. L. Greenall, President of Greenal Bros. Ltd., Burnaby, B.C.

Mr. T. Jankowski, General Manager of Laminex Products Ltd., Quebec, P.Q.

Mr. Robert Johansen, architect, Les Industries Treco Inc., St. Romuald, P.Q.

Mr. W. A. Kaye, President of W. A. Kaye Enterprises, Haliburton, Ont.

Mr. V. S. G. Lewis, consultant engineer, General Manager of Nelson Lumber Company Ltd., Lloydminster, Alta.

Mr. P. M. Shearer, President of Precision Prefab Products Ltd., Rexdale, Ont.

Mr. A. D. Monkhouse, secretary, Forest Products Division, Commodities Branch, Department of Trade and Commerce, Ottawa, Ont.

It is to help industry take advantage of the opportunities afforded by a shortage of housing in the four countries to be visited, that the Department of Trade and Commerce has organized this Canadian mission concerned with prefabricated houses. The mission is responsible for examining on each market the following factors and to make a report to the Canadian industry:

a) the proportion of the total demand for housing during the next few years which could be satisfied by imports of wooden prefabricated houses;

b) the changes it will be necessary to make on designs to have them comply with local and national construction rules;

c) the problems of shipping and transport, the costs and the competition to be expected from all kinds of established suppliers, including the optimum degree of prefabrication suitable to the different markets;

d) the construction methods being used on the spot and available means for the setting-up and the finishing of Canadian-made houses;

e) the best means of association or affiliation with organizations and builders on the spot;

f) other pertinent factors, such as buying power, availability of land, local preferences as to style, designs, and conveniences in housing.

2. Prefabricated houses are not included separately in Canadian export statistics. They are included within class 960-35 among other types of prefabricated buildings and structures. Total exports of prefabricated buildings, structures and parts, for the 1963 calendar year, are shown in the attached table.

3. The mission will go to Spain, France, Germany and Great Britain.

4. Officials of housing agencies in each of the countries mentioned in paragraph 3 will be among those who will meet with the Canadian trade mission.

Question 2.

Country	Value
Class 960-35	
United Kingdom	$ 117,717
Belgium and Luxemburg	76,168
France	8,899
Western Germany	50,105
Italy	3,600
Portugal	1,520
Iraq	3,463
Israel	1,065
Lebanon	1,000
Libya	310,741
Ghana	16,690
Algeria	226,179
Liberia	197,504
India	1,701,751
Malaya	1,289
Pakistan	496,597
Burma	14,017
Japan	227,230
Philippines	1,759
Australia	2,365
Bolivia	12,002
Chile	61,344
Venezuela	208,566
Bahamas	229,003
Bermuda	12,673
British Honduras	2,800
Barbados	2,634
Jamaica	50,391
Windward Islands and Leeward Islands	53,985
Greenland	17,000
St. Pierre and Miquelon	4,994
United States	6,044,494
Total	$10,159,545

[*Text*]

CYPRUS—CANADIAN ACTION FOLLOWING DEATH OF FINNISH SOLDIER

Question No. 1,127—**Mr. Latulippe:**

1. Has Canada, as a member of the United Nations force in Cyprus, sent any message of sympathy to the government of Finland as well as to the family of soldier Juhani Matikainen, a radio operator killed in action in Cyprus?

2. Has Canada sent an official note of protest to the Turkish Cypriot leaders in connection with the incident?

[*Translation*]

Answer: 1. Yes.

2. No. General Gyani, commander of the United Nations force, made official representations to vice president Kutchuk in that connection.

[*Text*]

TRADE MISSIONS TO SOUTH AMERICA

Question No. 1,132—**Mr. Latulippe:**

How many Canadian trade missions went to South America in the last two years and (a) who were the members of such missions, and which firms did they represent (b) what firms received new business with South American countries as a result of these trade missions?

[*Translation*]

Answer: During the last two fiscal years 1962-63 and 1963-64, eight Canadian trade missions visited South American markets.

(a) Here is a list of the members of such missions and of the firms represented:

Canadian mission of the heavy equipment industry to Latin America, April 1962:

Mr. D. H. Struck, sales manager, Preston Woodworking Machinery Co. Ltd., Preston, Ont.

Mr. A. R. Hamilton, vice president, Hydraulic Machinery Co. Ltd., Montreal, Que.

Mr. L. R. Douglas, Marketing Manager, Appliances Department, Canadian General Electric Co. Ltd., Peterborough, Ont.

Mr. K. D. Landell, vice president, Marketing, Montreal Locomotive Works Ltd., Montreal, Que.

Mr. Colin T. Gray, exports manager, Dominion Bridge Co. Ltd., Montreal, Que.

Mr. A. A. Irvine, vice president, Sales, Foster Wheeler Limited, St. Catharines, Ont.

Mr. Allen Schroeder, United Automobile Workers of America, Windsor, Ont.

Mr. L. T. Hansson, Engineering and Equipment Div., Department of Trade and Commerce, Ottawa, Ont.

Canadian mission of the organic chemistry products industry to Latin America, November 1962:

Mr. Morris R. Jones, marketing officer, The Ontario Paper Co. Ltd., Thorold, Ont.

Mr. Eric Gudgeon, executive secretary, Canadian Chemical Producers' Association, Montreal, Que.

Mr. L. McIlroy, Exports and Development manager, Hart Products Company of Canada Ltd., Toronto, Ont.

Mr. G. P. Dewar, Director, Sales Division, Chemical Products Department, Imperial Oil Limited, Toronto, Ont.

Mr. J. A. Stenstrom, marketing manager, Canadian Chemical Co. Ltd., Montreal, Que.

Mr. G. S. Delmar, president, Delmar Products Ltd., Lachine, Que.

Mr. A. G. Billingsley, Chemical Products Division, Department of Trade and Commerce, Ottawa, Ont.

Canadian mission of forest products industry to Latin America, October 1962:

Mr. T. A. Costen, exports manager, Columbia Pulp Sales Ltd., Montreal, Que.

Mr. J. Wansbrough, exports manager, The E. B. Eddy Company, Hull, Que.

Mr. J. T. Trenaman, assistant manager, Export Sales, Howard Smith Paper Mills Ltd., Montreal, Que.

Mr. R. B. Rolland, vice president, Paradis & Fils Ltd., Montreal, Que.

Mr. W. H. DeCew, president and manager, DeCew Lumber Company Ltd., Vancouver, B.C.

Mr. R. D. Reid, division director, Seaboard Lumber Sales Co. Ltd., Vancouver, B.C.

Mr. H. L. Ladd, president of area No. 2, International Woodworkers of America, Weston, Ontario.

Mr. A. D. Monkhouse, forest products division, Department of Trade and Commerce, Ottawa, Ontario.

Canadian mission of power industry and distribution in Latin America, May, 1962:

Mr. Leo Payer, Payer Electrical Fittings Co. Ltd., Nicolet, Quebec.

Mr. D. F. Martin, vice president and sales manager, Ferranti-Packard Electric Ltd., Toronto, Ontario.

Mr. A. D. Burford, director, exportation, Amalgamated Electric Corporation Ltd., Toronto, Ontario.

Mr. G. A. Cooper, chief—trade mission division, Department of Trade and Commerce, Ottawa, Ontario.

Mr. Claude Rousseau, president, Electrical Manufacturing Co. Ltd., Montmagny, Quebec.

Mr. E. Durham, director, export division, Canada Wire and Cable Ltd., Toronto, Ontario.

Mr. K. Cummings, vice president, National Union of Public Employees, Toronto, Ontario.

Canadian mission of electronics in Latin America, September, 1962:

Mr. C. R. Hughes, president, Automatic Electric (Canada) Ltd., Brockville, Ontario.

Mr. Earl H. Mann, assistant general manager, electronics division, Ferranti-Packard Electric Limited, Toronto, Ontario.

Mr. L.-H. Potvin, manager, Spilsbury and Tindall Ltd., Vancouver, B.C.

Mr. H. C. Ashdown, vice president, Sales T.M.C. (Canada) Ltd., Ottawa, Ontario.

Mr. B. S. Shapiro, Latin America division, Department of Trade and Commerce, Ottawa, Ontario.

Mr. G. N. Cox, vice president and general manager, Marsland Engineering Ltd., Waterloo, Ontario.

Mr. M. L. P. Cheney, Canadian Marconi Company, Montreal, Quebec.

Mr. R. Sangster, engineering and equipment division, Department of Trade and Commerce, Ottawa, Ontario.

Canadian mission of steel and steel products in Latin America, October, 1963:

Mr. N. H. Cuke, sales manager, Quebec Iron and Titanium Corp., Sorel, Quebec.

Mr. W. J. McDonald, manager—exports, Western Canada Steel Ltd., Vancouver, B.C.

Mr. I. Ryckman, manager—export credits, The Steel Company of Canada Ltd., Hamilton, Ontario.

Mr. J. E. Souccar, Atlas Steel Ltd., Welland, Ontario.

Mr. H. R. Gulliver, exports sales manager, Dominion Steel and Coal Corp. Ltd., Montreal, Quebec.

Mr. B. C. Varah, assistant vice president, marketing, Dominion Foundries and Steel Ltd., Hamilton, Ontario.

Mr. Carson Weeks, vice president, sales, Algoma Steel Corp. Ltd., Sault Ste. Marie, Ontario.

Mr. O.-L. L'Espérance, metals and minerals division, Department of Trade and Commerce, Ottawa, Ontario.

Canadian mission of industrial chemicals in Latin America—November 1963:

Mr. Stuart Dyson, Sales Manager, Howard and Sons (Canada) Ltd., Cornwall, Ontario.

Mr. F. B. Parker, vice president, The Bate Chemical Corporation Limited, Toronto, Ontario.

Mr. L. M. Reese, General Manager—Eastern Area, G.H. Wood & Company Limited, Montreal, Que.

Mr. Adolph Monsaroff, vice president, Marketing and development, Domtar Chemicals Ltd., Montreal, Que.

Mr. F. O. Newson, manager, Fine chemicals branch, Canada Packers Limited, Toronto, Ontario.

Mr. W. M. Karn, manager, Export sales, Electric Reduction Sales Co. of Canada Ltd., Toronto, Ontario.

Mr. G. H. MacDougall, manager, Foreign sales, Shawinigan Chemicals Ltd., Montreal, Que.

Mr. A. G. Billingsley, Chemicals Division, Department of Trade and Commerce, Ottawa, Ontario.

Canadian mission of food products and fish processing equipment in Latin America—March 1964:

Mr. G. Allen Jones, assistant manager general, McNamara Engineering Ltd., Toronto, Ontario.

Mr. G. T. G. Scott, Canadian-British Engineering Consultants, Toronto, Ontario.

Mr. A. Edgar Jones, Phillips, Barratt & Partners, Vancouver, B.C.

Mr. D. A. Eisenhauer, vice president, Atlantic Bridge Company Ltd., Lunenburg, N.S.

Mr. E. H. Sinclair, R.T. Tamblyn & Partners Ltd., Toronto, Ontario.

Mr. L. T. Hansson, Engineering and Equipment Division, Department of Trade and Commerce, Ottawa, Ontario.

(b) The main concern of those trade missions was not to make a sale during their visit; the department sent them, first of all, to study market conditions and report on them so that Canadian industry as a whole might benefit therefrom. The reports made

by the missions helped to awaken in Canadian companies a new interest for those markets; several took some individual steps, after considering the opportunities or difficulties that had been reported. Several firms take active interest in those foreign markets, but they do not have to inform us of their sales or progress. It is impossible to list all companies which established new business relations following those trade missions.

[*Text*]

REQUESTS FOR ASSISTANCE BY AUTOMOBILE FIRMS

Question No. 1,134—**Mr. Latulippe:**

Have the firms of Peugeot, Renault, Volkswagen, Chrysler, or American Motors requested assistance in any form from the Department of Industry to assist in deciding whether to set up business in Canada and, more specifically, in the province of Quebec?

Mr. Drury: No.

INTERNATIONAL CIVIL AVIATION ORGANIZATION PROFIT

Question No. 1,151—**Mr. Latulippe:**

Did the international civil aviation organization make a profit during 1962-63, and, if so (a) what was Canada's share of such profit (b) what percentage of the organization's profit did Canada receive?

[*Translation*]

Answer: No. The international civil aviation organization, a specialized agency of the United Nations, is entrusted with the establishment of principles and techniques in the field of international aviation.

[*Text*]

MASTER OF FISHERIES PATROL CRAFT "SCATARIE LIGHT"

Question No. 1,155—**Mr. Muir (Cape Breton North and Victoria):**

1. Who is the master of the fisheries patrol craft *Scatarie Light*?
2. Where is his residence and what are his qualifications?
3. When was he appointed?
4. What are the qualifications required as master of the fisheries patrol craft *Scatarie Light*?

Answer: 1. Peter Gerald Boudreau.

2. Petit de Grat, N.S. He holds a temporary certificate as master of a steamship of not more than 40 tons valid on the coastal waters of Cape Breton island and the adjacent mainland.

3. April 16, 1964.

4. A master's certificate of grade adequate to cover the operation of the vessel in the patrol area. Adequate relevant experience, knowledge of area to be patrolled and of fisheries therein, personal suitability, good physical condition.

Inquiries of the Ministry

CANADIAN MEMBERSHIP IN ICAO COUNCIL

Question No. 1,156—**Mr. Latulippe:**

Is Canada a member of the council of the international civil aviation organization and, if so (a) since what date (b) what is the contribution of Canada to that council (c) what was the cost last year of membership in the council (d) does the council submit reports to the Department of Transport?

[*Translation*]

Answer: Yes;

(a) since 1947;

(b) the council is an agency of the ICAO and Canada does not contribute in any way to the council as such, except for its contribution to the whole organization which in 1963, amounted to $211,392.43.

(c) The cost to Canada was $34,307 for all expenses due to its membership in the ICAO council;

(d) The council as such does not submit any reports to government departments, but the organization reports and is responsible to the governments of the countries which belong to the ICAO.

[*Text*]

*R.C.A.F. STATION EDGAR—USE FOR UNIVERSITY PURPOSES

Question No. 1,184—**Mr. Rynard:**

Has a study been made with regard to the feasibility of using R.C.A.F. station Edgar, which is being closed, for university purposes and, if so, what are the results of this study?

Mr. Drury: It is understood that a feasibility study concerning the use of the R.C.A.F. station Edgar, Ontario, for university purposes is being undertaken, but this is not yet complete.

CANADIAN FLAG

PROCEDURE TO BE FOLLOWED IN SUBMITTING DESIGN TO PARLIAMENT

On the orders of the day:

Right Hon. J. G. Diefenbaker (Leader of the Opposition): Mr. Speaker, I rise to ask the Prime Minister whether there is any foundation for press reports to the effect that the resolution covering the two flags is now to be divided and the matter proceeded with in separate motions.

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, there is no intention of departing from the two resolutions which are on the order paper and which will be proceeded with in due course.

Mr. Diefenbaker: I am asking particularly about the motion dealing with the flag. Will it be proceeded with as an entirety rather than in subdivided form?

Mr. Pearson: Mr. Speaker, it will be proceeded with as one resolution.

Mr. Diefenbaker: Then I should like to ask the Prime Minister this. What flag, if any, flew during the week end from the flagstaff at the Prime Minister's official residence at Harrington lake?

Mr. Pearson: Mr. Speaker, I do not know whether this is a question that is of any interest to the House of Commons. The flag that flew over my residence in the country surely is a matter for my decision.

Mr. Diefenbaker: No, Mr. Speaker; this is the residence of the Prime Minister of Canada. I ask him again, did he during the week end fly the flag with three maple leaves and not the red ensign?

Mr. Pearson: Mr. Speaker, I still think this is a matter not appropriate for parliamentary consideration.

Mr. Diefenbaker: It isn't? Why?

Mr. Pearson: This is a free country, Mr. Speaker, and I take it any Canadian can fly any emblem he wishes over his private house if he so desires. But, Mr. Speaker, seeing that the right hon. gentleman obviously is attempting to make some controversial point—

Mr. Diefenbaker: No; to get the truth.

Mr. Pearson: —and I refrain from asking him what flag he flies over his own residence —I will be glad to satisfy my right hon. friend's curiosity about my flag habit by telling him that, as is customary, the red ensign was flying on Sussex street over the week end when I was there and at Harrington lake when I was there. During part of the week end I thought it would be interesting—and it certainly was—to fly the design which has been put before the House of Commons in a resolution and circulated in colour to see what it would look like in textile form flying from a flagstaff. I will tell my right hon. friend that it looked wonderful.

Mr. Diefenbaker: I am not asking the Prime Minister about the aesthetic properties of this flag. What possible business of the Prime Minister of Canada is it to use a flag that has not been designated, and fly it over a home bought and paid for by the people of Canada as an official residence?

Mr. Pearson: My right hon. friend has been doing some very deep research during the week end and he has now discovered that this flag was paid for by the people of Canada.

Some hon. Members: No, no.

Mr. Diefenbaker: I did not say that.

[Mr. Diefenbaker.]

Mr. Pearson: And, Mr. Speaker, I think it would be of very considerable interest to those concerned with this matter to have a look, on the flagstaff, at the flag which is being submitted for parliamentary decision. I think it might be of equal interest to members of the House of Commons, who in due course will be asked to make a decision on this matter, if this flag could be displayed for a time on a flagstaff outside the House of Commons so they could see it flying, as well as seeing a coloured reproduction of it on paper. If hon. members would like this to happen I would be glad to help accommodate them.

Mr. Diefenbaker: Mr. Speaker, I am not going to enter into an argument at the moment except to say it would be a perversion of parliamentary rights, completely unjustified, to do that. What about the other 2,999 models? Would you fly them too in order to test their aesthetic acceptability?

Mr. Pearson: Mr. Speaker, I have received a great many models, some on nylon and some on textile, and I had the pleasure of flying some of them to see how they looked on a flag pole. I would tell my hon. friend that, in addition to looking at the flag yesterday, I also went fishing.

Mr. Diefenbaker: And did the Prime Minister have with him that cultural group of ministers who viewed the film of himself by the C.B.C., in order to arrive at a conclusion on the attractiveness of this flag?

Mr. Pearson: I did not, Mr. Speaker, but if I had I am sure they would have enjoyed watching the flag flutter in the breeze as much as I did.

Mr. H. W. Herridge (Kootenay West): Mr. Speaker, I wish to direct a question to the Prime Minister and I want to let him know my question is completely devoid of partisan purpose or motive.

In view of recent developments with respect to the national flag issue, and in order to secure a decision based on the expressed will of the Canadian people, obtained at little extra expense to the nation, would the Prime Minister consider withdrawing his resolution and submitting the following questions to the Canadian people at the next general election:

(1) Are you in favour of the red ensign as our national flag?

(2) Are you in favour of the flag proposed by the government as a national flag?

(3) Are you in favour of the union jack being flown as the symbol of Canada's partnership in the commonwealth?

Mr. Speaker: Order, please. The hon. member for Kootenay West, I am glad to say, is a close friend of mine, but aside from that he did me the courtesy of sending me notice of this question. Therefore I have had time to think about it and to consult, and in my opinion the question in effect calls for a referendum and is out of order for several reasons. I would like to give the reasons to the house because they may be of some interest.

1. The question is far too long. In putting a question a member must confine himself to the narrowest limits. Here we have a series of statements embodying a series of questions.

2. The question contains observations which might lead to debate.

3. It refers to a debate or to answers to questions during the current session.

4. It embodies a series of questions which should be moved as an address or order.

5. It anticipates an order of the day.

6. It raises a matter of policy too large to be dealt with in the limits of an answer to a question.

7. It is, in effect, making a proposition which should be the subject of a notice of motion.

8. It proposes a referendum and sets out the details, and any such question does not fit on orders of the day.

My authority for these reasons can be found in Beauchesne's fourth edition, citation 171, as well as the statement respecting questions on orders of the day given by myself on Thursday, October 31, 1963, and appearing in *Hansard* at pages 4205 and 4206, as well as the rules given to me by the house itself on April 20 and continued on May 21 to the end of the session.

Therefore I come to the conclusion that in my opinion the question as raised by the hon. member is out of order.

Mr. Herridge: Mr. Speaker, I would like to discuss this out of order question when it is in order at ten o'clock.

Mr. Speaker: I am afraid if the question is out of order we cannot do indirectly what is prohibited directly.

Hon. Paul Martineau (Pontiac-Temiscamingue): Mr. Speaker, I have a question for the Prime Minister that relates to the first question he was asked. Will he definitely tell the house when his two flag resolution will be presented for debate here?

Mr. Pearson: Mr. Speaker, the resolution concerning the national flag will be presented to the house very shortly, but I am not exactly sure of the date. It appears, Mr. Speaker, there are two or three pieces of legislation on the order paper which we consider should be disposed of because there are reasons why it is urgent they should be disposed of soon. It therefore may not be possible to introduce the resolution concerning the national flag until next week.

Mr. Eldon M. Woolliams (Bow River): As a supplementary question, is it correct that the Minister of Transport has had an audience with the Queen with reference to the flag issue and, if so, would the Prime Minister assure the house and the country that the Canadian government will not permit Her Majesty the Queen to become embroiled with the flag issue?

Mr. Pearson: Mr. Speaker, I can unhesitatingly answer yes to the last part of the question, and I am sure that would be the wish of every member of the house.

Mr. Woolliams: What about the first part of the question?

Mr. Pearson: On the first part of the question, I do not know whether or not the Minister of Transport had an audience with the Queen. He is returning this evening, and I will be glad to find out.

[*Translation*]

Mr. L. J. Pigeon (Joliette-L'Assomption-Montcalm): A supplementary question, Mr. Speaker. Can the Prime Minister tell the house whether he agrees with the view expressed by the Société Saint Jean Baptiste de Montréal, to the effect that two flags mean two nations, two different ethnic groups?

[*Text*]

Yes or no?

Mr. Speaker: Order, please. This question is clearly out of order.

Mr. Pigeon: I want to discuss this matter at ten o'clock.

Mr. Speaker: A question that is out of order cannot be debated at ten o'clock.

[*Later:*]

Mr. Heath Macquarrie (Queens): I have a question for the Prime Minister. Remembering that he is a former professor of history, I should like to ask the right hon. gentleman if the indicated delay in the presentation of the two flag resolution may be interpreted as the government's intention to give careful consideration to the suggestion of 12 outstanding scholars who wrote to the Prime Minister on May 27 advising the withdrawal of his favoured design in favour of something more meaningful and of more historical significance for this country.

Inquiries of the Ministry

Mr. Pearson: I know the weakness of professors of history when they start mingling with contemporary events. Perhaps their letter indicates it. For one thing, the letter was given to representatives of the press and to all members of the House of Commons before I received it, which is an unusual procedure if they wished to have a reply. For another, the letter I received was not signed; there were a number of names typed under it.

Mr. Macquarrie: Could I suggest to the Prime Minister that had he been in Canada he might have received this letter in time?

Mr. Pearson: I was in Canada.

[*Later:*]

[*Translation*]

Mr. L.-J. Pigeon (Joliette-L'Assomption-Montcalm): Mr. Speaker, I should like to direct to the Prime Minister a question supplementary to another one put to him.

I should like to ask the Prime Minister whether, at Harrington lake, in the province of Quebec, during the week end, he also flew a union jack to test the attractiveness of a foreign flag on Canadian soil and compare it with the other flag?

[*Text*]

Mr. Speaker: Order.

MANUFACTURE OF FLAGS AND PINS WITH MAPLE LEAF DESIGN

On the orders of the day:

Hon. C. M. Drury (Minister of Industry): Mr. Speaker, on Friday last the Leader of the Opposition asked whether the Department of Defence Production had set aside the sum of $90,000 for the manufacture and procurement of one of the two flags mentioned in the resolution before this matter has been discussed by parliament. I should like to reassure the hon. gentleman that no such set-aside in contravention of the rights of parliament has been made.

Right Hon. J. G. Diefenbaker (Leader of the Opposition): Has any consideration been given to providing that amount, and has any manufacturer been communicated with in this regard?

Mr. Drury: No such consideration has been given by the Department of Defence Production, nor has any manufacturer been communicated with in that regard.

CANADIAN CONSTITUTION

PRIORITY FOR CONSIDERATION OF PROPOSED AMENDMENT

On the orders of the day:

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, as a supplementary to the question about when the flag could be debated, may I ask the Prime Minister whether it was not his intention, by today, to tell us about the priorities of house business, with particular reference to the Canada pension plan and when we are going to get the resolution that seeks to amend the British North America Act.

Right Hon. L. B. Pearson (Prime Minister): I had hoped to be able to do that today, but we have not received all the replies from the provinces on the constitutional amendment. Over the week end I sent telegrams to those who had not replied. We have had one more reply this morning, and I would like to get them all in because this is a very important part of our legislative program. We hope to have all the replies in by Wednesday morning, and if that is the case I will make my statement on Wednesday afternoon.

Mr. Knowles: Will the resolution respecting the amendment to the British North America Act be proceeded with just as soon as all the replies are in?

Mr. Pearson: It is certainly in our priority program and should be proceeded with, if it receives the approval of the house, in order to get the approval of the parliament at Westminster at the earliest possible date.

Mr. Knowles: Before it adjourns?

Mr. Pearson: Before it adjourns.

Mr. George Muir (Lisgar): Mr. Speaker, perhaps the Prime Minister could now give an answer to the question I asked last Thursday and Friday in regard to the provinces that have answered the request for changes to the British North America Act.

Mr. Pearson: I am sorry; I do not have that information with me. I do know, however, that the provinces of Nova Scotia, New Brunswick, Newfoundland, Saskatchewan and British Columbia have all agreed to the constitutional amendment formula submitted to them. The province of Quebec has agreed to the formula but it has to be put before the Quebec legislature for approval. Quebec is the only province which has this requirement. We have had indications of approval from two other provinces, but they have not been confirmed by telegram as yet.

Mr. T. C. Douglas (Burnaby-Coquitlam): In view of the statement just made by the Prime Minister, I ask him whether it would not be wise to proceed with this matter, which is of urgent importance, before beginning a long and protracted debate on the flag resolution.

Mr. Pearson: I think that suggestion makes sense, and that is why it is difficult for me

to say today on exactly what date we should proceed with the flag resolution; we should get the constitutional resolution through at once to ensure that action may be taken at Westminster, if they desire to take action, before that parliament adjourns.

[*Translation*]

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

Will the provinces which will establish and administer their own pension plan be able to ask that the constitution be left unchanged as far as they are concerned?

[*Text*]

Mr. Pearson: I do not think any such contingency will arise.

Mr. Knowles: Mr. Speaker, may I ask a supplementary question with regard to the communications the Prime Minister has received from the provinces. Press reports indicate that Premier Roblin wrote the federal government a few days ago on the whole question of the Canada pension plan. Did the premier, in that letter, make any reference to the question of the proposed amendment to the British North America Act?

Mr. Pearson: I do not think so, but I should like to check. As I remember it, his letter did not deal with that point.

[*Later:*]

CONFERENCE OF ATTORNEYS GENERAL RESPECTING REPATRIATION

On the orders of the day:

Mr. G. W. Baldwin (Peace River): I have a question to ask the Minister of Justice following the rather vague answer I got from him last week. Has any date been fixed for the reconvening of the very important conference of the attorneys general on the question of assuring Canadians the right to amend the Canadian constitution?

Hon. Guy Favreau (Minister of Justice): No date has been fixed yet, but I will be pleased to advise my hon. friend and the house whenever a date has been agreed upon.

Mr. Baldwin: May I ask a supplementary question. Has the hon. gentleman or his immediate predecessor made any formal requests in writing to the attorneys general of the provinces for the reconvening of such a conference?

Mr. Favreau: The answer is no, Mr. Speaker.

Inquiries of the Ministry

FINANCE

U.S. COUNTERVAILING DUTY AGAINST CANADIAN AUTOMOBILES AND PARTS

On the orders of the day:

Mr. T. C. Douglas (Burnaby-Coquitlam): Mr. Speaker, may I direct a question to the Minister of Finance and ask him whether his attention has been drawn to the fact that the treasury department of the United States has given formal notice that it will consider representations regarding the application of a countervailing duty against Canadian automobiles and automobile parts. Further, I ask the minister whether the Canadian government is making any representations to the United States government regarding this very serious matter.

Hon. Walter L. Gordon (Minister of Finance): Well, Mr. Speaker, this is a matter that has been under consideration by the United States treasury department for some months. Under their law, when complaints of this kind are made they are required to refer the matter for investigation by the bureau of customs, and that is what they are doing. They are merely complying with the technicalities of the law.

Mr. Douglas: As a supplementary question, does the minister consider this is a retaliatory move, as the press report indicates, or is this merely a routine action as a result of some pressure from congress?

Mr. Gordon: Mr. Speaker, we were in touch with the secretary of the treasury when he was here for a meeting at the end of April, and subsequently. I think it would be quite incorrect to say this is a retaliatory move in any sense. It is merely a measure that is required to be taken by the secretary in connection with the existing law.

REQUESTS FOR TARIFF REDUCTIONS TO ASSIST AUTOMOBILE MANUFACTURERS

On the orders of the day:

[*Translation*]

Hon. Paul Martineau (Pontiac-Témiscamingue): May I direct a question to the Minister of Industry, Mr. Speaker?

Does the government intend to grant tariff reductions on the importation of automobile parts from countries like France, in order to make easier the establishment at home of automobile factories, such as Renault, etc.

Hon. C. M. Drury (Minister of Industry): The government is looking into that question at the present time.

[*Text*]

Mr. Martineau: A supplementary question to the Minister of Industry. I understood him to say that the government was giving consideration to the proposal for tariff concessions. Can he say when the government will be in a position to make an announcement?

Mr. Drury: As soon as possible, Mr. Speaker.

FLOODS

FRASER VALLEY, B.C.—REPORTED DANGER DUE TO DELAYED RUN-OFF

On the orders of the day:

Mr. Barry Mather (New Westminster): I wish to direct a question to the Minister of Northern Affairs and National Resources. Current reports indicate an increased flood threat in the Fraser river area due to delayed run-off from the snowpack. Does the minister consider the situation as being a cause for concern and, if so, is he satisfied with the diking arrangements?

Hon. Arthur Laing (Minister of Northern Affairs and National Resources): I know the hon. member is referring to the fact that we have had an abnormally late, cold season in British Columbia with the result that at the week end the flow at Hope, which is our checkpoint, was running at the rate of 250,000 feet per second only. In the flood year of 1948, on May 28 it was running at 535,000 feet per second. In the case of a river having a catchment area as great as that of the Fraser, there is always concern when melt conditions extend so late in the year; and when all the forces of nature are turned against man it is difficult to make a prediction.

The ultimate solution lies, of course, in the report I laid on the table six weeks ago, the report of the Fraser river board. I got in touch with the responsible minister of the British Columbia government, Mr. Williston who replied at once and is now preparing the engineering study on the reinforcement of the dikes in the lower Fraser valley from Hope to the mouth at a cost of about $5 million. Then we will proceed under the Canada Water Conservation Act to make provision for the building of a number of small dams on the tributaries of the Fraser where the fish will not be interfered with.

NORTHERN AFFAIRS

QUEBEC—ADMINISTRATION OF ESKIMO AFFAIRS

On the orders of the day:

Right Hon. J. G. Diefenbaker (Leader of the Opposition): I should like to direct a question to the Minister of Northern Affairs and National Resources. When the hon. gentleman was in Winnipeg and made that historic speech, if I may use the expression, regarding Eskimo affairs, did he state that the federal government will retain jurisdiction over the health, education and welfare of Eskimos while indicating that responsibility for municipal services will be turned over to the province of Quebec?

Hon. Arthur Laing (Minister of Northern Affairs and National Resources): Yes, with very great qualifications; to the extent that if the right hon. gentleman would read the report in the Winnipeg *Tribune*—and I made reference to this the other day when I suggested I had been inadequately quoted; I am certain that most members reading the two reports would hardly believe they were taken from the same notes, yet that was the case—

Mr. Diefenbaker: Which newspaper had the correct, unexpurgated edition?

Mr. Laing: The paper which satisfied me most, of course, was the report which appeared in the *Tribune*, because I think it more accurately represented what I said. That is the only reason. However, I did suggest that for the present it would appear that the responsibility for education and welfare would remain with the federal administration for some time, but there were consultations going on between my officials and those of the government of Quebec leading to the assumption by Quebec, and the participation by that province financially, too, in services which might in a mature provincial set-up be called municipal.

Mr. Diefenbaker: Does all this mean, boiled down to simple words, that the minister has offered to the province of Quebec municipal control of the Eskimo population in northern Quebec but that the balance of the powers respecting Eskimos will be exercised by his department?

Mr. Laing: The right hon. gentleman knows we have no power to offer the province of Quebec the right to administer municipal facilities. We are dealing with a part of Canada which is the province of Quebec, and they have full authority to carry out those functions. At the present time we are dealing largely with areas in which the population is entirely Eskimo with the exception of our own employees. The province of Quebec is now moving in certain people and we have had discussions with them on these lines; that instead of accepting at once responsibility for everything in these areas, including education and welfare, they function in the area of what I have described as normally

municipal in provincial affairs. These are discussions. It is not a question of my offering anything to the province. I have no power to do that, of course. But discussions have taken place between my officials and those of the government of Quebec along these lines.

Hon. Paul Martineau (Pontiac-Témiscamingue): I wonder if the minister can say what has been the reaction of the government of Quebec to these new proposals.

Mr. Laing: I think it would be wrong for me to attempt to reply to that question at the present time, because a further discussion along these lines took place as late as Friday last and there will be another, I take it, this week. I do not wish to impair continued good relations.

Hon. W. G. Dinsdale (Brandon-Souris): Can the minister indicate whether there has been an opinion given by the law officers of the crown with respect to jurisdictional responsibility over these Eskimos?

Mr. Laing: No, I do not have that.

ADMINISTRATION OF JUSTICE

REPRESENTATION BY COUNSEL OF PERSONS DETAINED FOR DEPORTATION

On the orders of the day:

[*Translation*]

Hon. René Tremblay (Minister of Citizenship and Immigration): Mr. Speaker, last Friday the right hon. Leader of the Opposition (Mr. Diefenbaker) and the hon. members for Burnaby-Coquitlam (Mr. Douglas), Bow River (Mr. Woolliams), Vancouver East (Mr. Winch) and Winnipeg North (Mr. Orlikow) asked questions about Mr. Harry Hooper who was deported from Canada recently. Four main questions were asked.

First, was Mr. Hooper advised that he was entitled to counsel?

Second, was he given a chance to exercise that right?

Third, was he aware that he could get legal counsel free of charge?

Fourth, was he told that he would remain in prison until he had answered the questions?

Mr. Speaker, in view of the importance of the matter and with the leave of the house, I would like to answer each one of these questions.

Mr. Hooper had already been deported from Canada three times. Every time he was informed of his right to legal counsel. The last time, on March 16, he fell under the jurisdiction of the immigration branch. The inquiry was postponed until March 23 and Mr. Hooper was told that he had another chance of seeking legal counsel if he wanted to be represented at the hearing by a lawyer.

At the opening of the inquiry, on March 23, he was again informed that, if he wished, he could be represented by counsel. He was also told that it did not have to be a lawyer, but that it could be a relative, a friend, a priest, a clergyman or any other person interested in his welfare. He was then asked whether he wanted to be represented and he replied he had nothing to say and the special investigator could do as he pleased.

When the inquiry was reopened, on April 7, Mr. Hooper was told once again he had the right to be represented by counsel and was asked if he had taken any steps to get one. He refused to answer. Mr. Hooper was clearly informed of his right to be represented by counsel.

With regard to exercising one's right to secure a lawyer, I think that point was raised by the hon. member for Burnaby-Coquitlam, and I must say first of all that persons who want to be represented by counsel, when their deportation case is heard, must do it at their own expense. That provision has been in the Immigration Act for several years. The immigration branch sees to it that the interested parties are aware of their right to get a lawyer. If they want to be represented by counsel, investigations are postponed to enable them to get a lawyer.

As I said before, Mr. Hooper, although knowing that he had the right to get help from a lawyer, never indicated that he wanted it. He could have tried to get free legal assistance from the jail's lawyer or from various benevolent societies which offer such services. He knew about these societies. The authorities of the Don jail have confirmed the fact that members of these societies regularly visit the jail and that prisoners are well acquainted with their services.

As for the duration or term of the detention, Mr. Hooper was advised that he would be detained until he was ready to answer questions. Refusal to answer questions is, under the Immigration Act, a violation liable to prosecution. Mr. Hooper answered that he did not care, that anyway he had nothing better to do.

Immediately after the adjournment of the inquiry on March 23 the special investigator submitted the matter to the headquarters of the department of immigration in Ottawa in order to obtain instructions. It has been decided to reopen the investigation and to proceed taking into account other evidence available.

I wish to draw the attention of the house to the fact that the available evidence was

to Mr. Hooper's advantage and that it was in his interest that such supplementary evidence be examined.

Mr. Speaker, I believe I have answered the four main questions which hon. members asked last Friday. My answers may be summarized as follows:

First, Mr. Hooper had been informed of his right to obtain legal counsel.

Second, he had every opportunity to do so, had he so wished.

Third, he was aware that he could secure free legal advice.

Fourth, immediately after the inquest of March 23, while Mr. Hooper had been informed that he would be detained until he answered the questions, the matter was brought to the attention of the immigration department at Ottawa for instructions. Shortly after Mr. Hooper was specifically informed that refusal to answer the questions constituted under the Immigration Act, an offence which would entail legal proceedings.

[*Text*]

Mr. Woolliams: A supplementary question—

Mr. T. C. Douglas (Burnaby-Coquitlam): Mr. Speaker, I would like to ask a supplementary question. The minister has made the statement that any legal counsel would be at the prisoner's expense. In view of the fact that this man was in impecunious circumstances, I would like to ask whether the Ontario law society, which provides a legal aid service, was informed that this man would require legal advice and that he was not in a financial position to procure it himself.

Mr. Tremblay: Mr. Speaker, I am not aware that this special group had been informed of the need of Mr. Hooper, but I have been advised by my department that those services were made available to Mr. Hooper.

Mr. Woolliams: A supplementary question, Mr. Speaker—

Mr. Douglas: Could I follow that question with one other supplementary question, Mr. Speaker. Could I ask the minister why, since this man was ordered for deportation on April 7, the department took until May 25 to decide to enforce that deportation order rather than proceeding to arraign this man on a charge of refusing to answer questions? In the statement made by the Minister of Justice last Thursday the minister said the department held off taking any action on deportation pending instructions from the officials of the Department of Citizenship and Immigration here in Ottawa as to whether the man would be deported or whether proceedings would be taken against him. May I ask the minister why there was this long delay and why, after this delay, proceedings were not instituted against this man and he was deported on May 26, when he could just as easily have been deported on April 7 without this long period in jail?

[*Translation*]

Mr. Tremblay: Mr. Speaker, I should like to say this. When the Toronto office submitted the case to the Ottawa office, there were, at the time, some representations to the effect that Hooper was married to a Canadian and had a child born in Canada. It was therefore most important to refer the case to the department. The accuracy of that statement had to be checked, and it was just to give Mr. Hooper a chance that, for three weeks the department officials considered the problem most seriously, though they finally arrived at the conclusion that this would not —because of certain reasons which I do not have to give the house—justify any delay in carrying out the deportation order.

Hon. Paul Martineau (Pontiac-Témiscamingue): Mr. Speaker, I would like to ask a supplementary question.

[*Text*]

Mr. Brewin: A supplementary question, Mr. Speaker—

Mr. Speaker: The hon. member for Pontiac-Témiscamingue.

Mr. Woolliams: Mr. Speaker, I have risen twice to ask a supplementary question.

Mr. Speaker: So has the hon. member for Pontiac-Témiscamingue, and he was two seconds ahead of you.

[*Translation*]

Mr. Martineau: Following the minister's answer, can he tell us whether the government is ready to submit to the house a bill which would immediately eliminate, from the Immigration Act, any discriminatory factors which brought about the incident in question and a denial of justice, like in the case of Mr. Hooper?

Mr. Tremblay: Mr. Speaker, I accept in no way the second part of the question of the hon. member for Pontiac-Témiscamingue. But I agree with him that there might be some reason for the house studying that aspect of the Immigration Act.

Mr. Martineau: Mr. Speaker, can the minister say when the government will introduce such a bill in the house?

Mr. Tremblay: In due time.

[*Text*]

Mr. Eldon M. Woolliams (Bow River): Mr. Speaker, I would like to ask the Minister

of Citizenship and Immigration a supplementary question. During the time Hooper was held for 90 or 100 days, or in the case of others who may have been incarcerated under the same circumstances, was there a period in which they, including Hooper, were held incarcerated when there was no charge laid? In other words were they held incarcerated without a charge being laid?

While I am on my feet, in order to save time—the minister can think about that question—No. 2, I would like to ask the minister whether he changed his words in *Hansard* at page 3728 when he replied to the leader of the New Democratic party last Friday. I suggest he did.

Mr. McIlraith: No, he didn't; it was the translation.

[*Translation*]

Mr. Tremblay: Mr. Speaker, during all his period of detention, Mr. Hooper was held under the Immigration Act, the provisions of which allow the detention of any individual who is in Canada without a visa, before carrying out a deportation order. On the other hand, as the deportation order has to be carried out as soon as possible, the department must make the necessary arrangements for the deportation.

This involves not only transportation arrangements but also arrangements with the country where the individual is to be deported, in order that all the papers be ready at the time this individual is transferred from Canada to another country.

During the period of detention, I think that legally, and under several other sections of the Immigration Act, the department had every right to bring the case before the court. I believe the department had full right to hold Mr. Hooper without making any charge, and this under sections of the act other than that allowing the department to detain an individual who holds no visa allowing him to remain legally in Canada.

As concerns the second question of the hon. member, I believe what happened—and, Mr. Speaker you mentioned it yourself—was the result of an error in translation: the part where I said Mr. Hooper had had every opportunity to obtain assistance from counsel was not translated, and when the leader of the New Democratic party asked why that had not been allowed, I said this question should be addressed to Mr. Hooper, as I thought the hon. member was aware of my reply.

[*Text*]

Mr. Woolliams: A further supplementary question. How many times during those 100 days was Mr. Hooper, accused under the immigration act, brought before the court and asked whether he would answer the questions which the department or the officials wanted answered? In other words, was he brought before the court every eight days according to the practice, and was he permitted to be out on bail during that time? How many times was he asked whether he would answer the questions?

Mr. Speaker: I do not wish to prevent hon. members from asking questions but the discussion on this matter, although extremely important, has gone on for a considerable time. It seems to me that the type of question the hon. member for Bow River has just asked requires a detailed answer of which the minister is at least entitled to notice.

Mr. Woolliams: With the greatest respect, Mr. Speaker, although I bow to you ruling, I think this is an important matter. I asked the minister whether this man had been charged. He was held because he refused to answer the questions asked. He might have been held there for five years. Surely the minister can say whether he was asked five times or six times.

Mr. Speaker: The question asked how many times. The minister may know and he may not know, and is certainly entitled to check the records before he answers. Therefore I suggest this question be put on the order paper.

Right Hon. J. G. Diefenbaker (Leader of the Opposition): Mr. Speaker, when this matter came up on May 29 I asked the minister this question, as reported at page 3730 of *Hansard*:

> Mr. Speaker, was he not told that he was going to be kept in custody until he answered questions?
> Mr. Tremblay: Mr. Speaker, according to the information on file, I am not aware that such things occurred.

If I understood the minister correctly today, he now finds that this actually took place and that the man was kept in custody because he refused to answer questions. Under all the circumstances and looking back on the situation now—it cannot be repaired—does the minister not feel that the arbitrary conduct in this case deserves an apology to one who suffered from an unbelievable course of conduct on the part of the department of immigration?

[*Translation*]

Mr. Tremblay: We informed Mr. Hooper that he would stay in jail because we had some very serious reasons for that, as I already have said twice in this house. As a matter of fact, I believe that it would have been dangerous to release Mr. Hooper.

During all the time he was detained, he was informed that he would remain in prison; and as concerns a certain statement that has been made in the house to the effect that Mr. Hooper had been threatened to be kept in jail until he spoke, I can say that the officials of my department have checked and reported to me that such a threat has never been made.

[*Text*]

Mr. Diefenbaker: I did not speak about threats, Mr. Speaker. I spoke about statements, because he was told he would not get out until he talked. I now ask the minister, what about the case of Harold Nurse of Trinidad? Was he held in the Don jail for 87 days while his case was reviewed?

[*Translation*]

Mr. Tremblay: Mr. Speaker, I shall inquire about that.

[*Text*]

Mr. Andrew Brewin (Greenwood): Mr. Speaker, this is a further supplementary question to the Minister of Citizenship and Immigration. Has the department worked out any system whereby some senior official at Ottawa is kept informed in the case of people being detained for, say, more than a week?

Mr. Tremblay: Yes, Mr. Speaker, we have organized such a system in the department. The department will be informed each day about all the cases which are before the courts or of people who are in jail.

Mr. Nesbitt: A supplementary question, Mr. Speaker.

Mr. Speaker: I do not wish to cut off any questions on this important matter, but we have spent a very considerable time on it. Unless questions are really urgent and require an immediate answer, may I suggest that hon. members put them on the order paper.

Mr. W. B. Nesbitt (Oxford): Mr. Speaker, I should like to ask the Minister of Citizenship and Immigration a supplementary or perhaps a related question. Last Friday the minister indicated that he would be able to report to the house today concerning the case of a Greek seaman who was held in London, Ontario, for some 90 days, also without benefit of counsel and, in addition, without benefit of an interpreter since the man could not speak English. Would the minister now be prepared to give a report on this matter?

Mr. Tremblay: Mr. Speaker, on Friday last the hon. member for Oxford repeated a question he had asked on April 17 regarding Stylianos Yiannopolous, a Greek seaman who deserted his ship in Canada. The hon. member will recall that some weeks ago my executive assistant provided him with an oral report on the Yiannopolous case and he agreed that a reply in the house was unnecessary. However, in view of this last question I am pleased to provide the following information.

This man deserted his ship in June 1961. He was apprehended in London, Ontario on January 16, 1964. A deportation inquiry was ordered on January 23 but was deferred at Mr. Yiannopolous' request in order to give him time to obtain counsel. He did get a lawyer who asked for a further deferral. It will be seen, therefore, that contrary to the assertion of the hon. member for Oxford, Mr. Yiannopolous did get counsel and was represented throughout all proceedings against him.

The inquiry on the deportation order was held on February 4. Mr. Yiannopolous appealed, and his appeal was heard and dismissed by the immigration appeal board on February 20. Representations on his behalf were then made to me. I reviewed these carefully but decided on March 24 to proceed with the deportation order. Until this time all the delays arose in order to give Mr. Yiannopolous time to get counsel and to appeal the decision.

After the appeal was dismissed the department decided to prosecute him under the Immigration Act in accordance with departmental policy aimed at curbing the serious incidence of ship desertion in Canada. The charge was laid on April 14 and was dismissed on the ground, I believe, that the man's name was improperly spelled, notwithstanding the fact that he pleaded guilty to the charge. He was deported from Canada on April 28. The procedures in this case were entirely legal, but I agree that the period of detention after the appeal was dismissed was too lengthy. Arrangements have been made to avoid such delays in future.

Mr. Nesbitt: On a question of privilege, Mr. Speaker, the minister indicated in his reply that I had made certain representations to his executive assistant. I cannot let that pass unnoticed, Mr. Speaker. When I was in touch with the minister's office concerning this matter the minister's assistant indicated to me that there would be some little time taken in getting all the facts of the case together. He asked whether I was in a hurry about it and I said that there was no immediate hurry, and that I would be glad to receive an answer when it was convenient for the minister and the department if they were busy. I want to make that correction. At no time did I ever say that I wanted a quick answer.

Mr. Tremblay: I will take the hon. member's word.

Mr. Diefenbaker: Mr. Speaker, I did not get an answer from the minister with regard to one question which I think is very important. The right of trial and not having justice denied is one of the most sacred rights of the individual. Under the circumstances and in view of a series of actions which can only be described as tyrannical, does the minister not feel that Hooper, whatever his reputation or position, deserves an apology in the interests of justice in this country?

Mr. Tremblay: No, Mr. Speaker, I do not think so.

Mr. Diefenbaker: That shows how arbitrary the department has become.

Mr. Speaker: The hon. member for Swift Current-Maple Creek.

Mr. Douglas: I have a supplementary question, Mr. Speaker.

Mr. Speaker: May I appeal to hon. members. It seems to me that this discussion, while important, has lasted for a long time. We have spent almost an hour on the question period.

An hon. Member: What difference does it make if we spend two hours?

Mr. Speaker: Thank you.

Mr. Douglas: I think we should have some satisfactory answer from the minister, if not now then at a later time. In view of the minister's statement the other day that Hooper enjoyed the privileges of Canadian citizenship although he was not a Canadian citizen, and his statement today with reference to the Greek seaman, that some steps would be taken to deal with situations of this kind; and in view of the statement by the Minister of Justice last Thursday that steps are to be taken to prevent the repetition of occurrences like these in the future, I should like to ask the minister if he will make a statement to the house fairly soon as to what steps are being taken by his department to prevent the recurrence of incidents like those in the Hooper case and that of the Greek seaman, or any other cases in which there may be undue detention where persons are being held for deportation.

[*Translation*]

Mr. Tremblay: Mr. Speaker, I do not accept the last part of the hon. member's sentence, in which he uses the words "Undue delay". I think that, under the act, the department and the officials had every right to hold Mr. Hooper and Mr. Yiannopolous.

What I meant by the word acceleration was a method to expedite the administration of the Immigration Act, as well as the decisions to be made in deportation cases.

[*Text*]

Mr. Douglas: This answer is far from satisfactory, Mr. Speaker. I want to know if the Minister of Citizenship and Immigration is perfectly satisfied to operate under the present procedure. I want to know what the Minister of Justice meant when he told the house that steps were being taken by him and the Minister of Citizenship and Immigration "to prevent the repetition of such occurrences in the future". Now, if these two ministers are going to take steps to prevent the recurrence of such incidents, let them tell the house what steps they are proposing to take.

Mr. Tremblay: I will make a statement in the house on my estimates, which I hope will be soon.

Mr. Diefenbaker: This is a matter affecting the liberty of people, and the attitude of the minister in this regard is contemptuous of parliament. We deserve an answer to these questions, and the assurance that there is not going to be a repetition of this bureaucratic tyranny that he apparently upholds.

Mr. Douglas: We are not prepared to wait until the minister's estimates come before us. If the minister will not make a statement on the orders of the day, then I think we will have to have a motion to adjourn the house to debate the matter.

Mr. Speaker: I thought I heard the minister say he would make a statement shortly.

Mr. Douglas: He said "on his estimates", and his estimates may not be up until next October or November. The other day he said that 16 were in jail, six of them for over 30 days. We should have a statement sooner than October.

Mr. Speaker: I do not like to bring this to the attention of the hon. member, but on Thursday, October 31, 1963, I set out certain suggestions as guide lines in asking questions. One of them was that questions should not be speeches, however short, nor be of unreasonable length.

[*Translation*]

Mr. Martineau: Mr. Speaker, may I ask the Minister of Citizenship and Immigration when he will make a statement to the house?

Inquiries of the Ministry

Mr. Tremblay: Mr. Speaker, if the estimates of my department are not presented very soon to the house, I will be very glad to oblige hon. members and make a statement concerning deportation procedure in order to expedite the administration of the Immigration Act even under existing provisions.

Mr. Martineau: But when?

[*Text*]

Mr. Tremblay: As soon as possible.

TRANSPORT

PRAIRIE PROVINCES—CLOSING OF RAILWAY STATIONS AND REMOVAL OF AGENTS

On the orders of the day:

Mr. Jack McIntosh (Swift Current-Maple Creek): I believe I have the floor, but before I ask the question I should like to know if there is any new rule that would give recognition to a backbencher the odd time.

In the absence of the Minister of Transport I should like to direct my question to the Prime Minister. In view of the agreement between the railway companies and the federal government that there will be no further abandonment of branch lines until a complete survey of the situation in the prairie provinces has been completed, will the government assure the people of the prairies that no action will be taken to remove station agents or close railway stations on any of these lines until the survey has been completed; because in effect such action by the railway companies is almost as serious as if the lines were abandoned.

Mr. Speaker: Will the hon. member put this question on the order paper?

Mr. McIntosh: I give notice I will debate it at ten o'clock.

PUBLICATIONS

REPORTED DECISION TO CEASE PUBLICATION OF "LIBERTY" MAGAZINE

On the orders of the day:

Mr. D. M. Fisher (Port Arthur): I have a question for the Prime Minister relating to the decision of Fengate publishers to stop publishing *Liberty*, a consumer's magazine. I want to ask the Prime Minister whether Mr. Cook, the publisher of *Liberty*, had approached him recently to suggest that this action would follow, that is the stopping of the publishing of *Liberty*, unless the Prime Minister took some action to include *Readers' Digest* and *Time* in the legislation that would give a fair share of advertising to Canadian consumer publications.

[Mr. Martineau.]

Right Hon. L. B. Pearson (Prime Minister): I have no recollection of receiving any letter from him. He certainly did not approach me personally. I will check into my files, but I do not believe I got a letter.

Mr. Fisher: Has the Prime Minister received a representation from the Maclean-Hunter magazines within the last few days to indicate that unless some action is taken to ameliorate the effects of *Time* and *Reader's Digest* competition in the advertising market for consumer magazines, Maclean-Hunter are going to be put out of business?

Mr. Pearson: I will have to look into that.

ROYAL VISIT

POSSIBLE CANCELLATION DUE TO BRITISH ELECTION

On the orders of the day:

[*Translation*]

Mr. Gilles Grégoire (Lapointe): Mr. Speaker, I should like to direct a question to the right hon. Prime Minister. Could he tell us whether there is a rule in England to the effect that, in the event of a general election in that country the Queen cannot leave the territorial land of England and whether, in the event of a general election in England this fall, it would prevent the Queen from coming to our country?

[*Text*]

Right Hon. L. B. Pearson (Prime Minister): I cannot answer, Mr. Speaker, but if it is in order I will be glad to make inquiries.

BUSINESS OF THE HOUSE

DELAY IN DISTRIBUTION OF BILLS TO MEMBERS

On the orders of the day:

Hon. Gordon Churchill (Winnipeg South Centre): I have a question for the Minister of Justice in his capacity as house leader. My question relates to Bill No. C-100 and Bill No. C-101, the resolutions preceding which were both passed on Friday and first reading was given. However, the bills were not distributed to the members, and Bill No. C-100 has been called for debate today. I ask him, what is the reason for this delay in distributing to the members of this house these bills after they have received first reading?

Hon. Guy Favreau (Minister of Justice): I undertake to inquire immediately and report to the house.

[*Later:*]

Mr. Favreau: Mr. Speaker, in answer to the question put to me by the hon. member for Winnipeg South Centre concerning Bill No. C-100, I am afraid I must plead guilty and

admit that I have been as delinquent as the hon. member, because I failed to notice that the bill is printed and already on the table of the house.

Mr. Churchill: Mr. Speaker, I have not been delinquent about it at all. I have a copy in front of me obtained from the table. These two bills were given first reading on Friday. They should have been put in the letter boxes of all members on Friday night so as to be available over the week end, or at the very least they should have been available this morning. They were brought into the house at 2.30 and some members have not got them yet.

Mr. Pigeon: Two flags; two policies.

INCOME TAX

HOSPITALIZATION PLAN PAYMENTS BY EMPLOYERS TREATED AS INCOME

On the orders of the day:

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I direct a question to the Minister of National Revenue. My question is based on information that came to light over the week end. Is it true that the government is now treating payments made by employers to government hospitalization plans as taxable income in the hands of the employee, even though this is not being done with respect to payments made by employers to private hospitalization or medical plans?

Mr. Speaker: Perhaps the hon. member will put this question on the order paper.

Mr. Knowles: Perhaps I will put it down for the overtime period, Mr. Speaker.

NATIONAL HOUSING ACT

AMENDMENT RESPECTING RENEWAL PROGRAMS, PUBLIC HOUSING PROJECTS, ETC.

The house resumed from Thursday, May 28, consideration in committee of the following resolution—Mr. Nicholson—Mr. Lamoureux in the chair.

That it is expedient to introduce a measure to amend the National Housing Act, 1954,

(a) to provide further assistance to provinces and municipalities carrying out urban renewal programs by authorizing Central Mortgage and Housing Corporation (hereinafter referred to as "the corporation") to make contributions and loans to provinces or municipalities to assist them in meeting the costs of such programs, and for this purpose to provide for the payment out of the consolidated revenue fund of amounts not exceeding in the aggregate one hundred million dollars;

(b) to authorize the corporation to make loans and to insure loans made by approved lenders to owners of existing houses in areas included in urban renewal programs;

(c) to authorize the corporation to make loans and contributions to provincially or municipally owned housing agencies for constructing or acquiring public housing projects and operating such projects, and to authorize the corporation to contribute a portion of the operating losses on any such projects that provide subsidized housing accommodation to individuals or families of low income;

(d) to permit federal-provincial public housing projects to include existing housing and hostel or dormitory type housing accommodation;

(e) to authorize the corporation to make loans to non-profit organizations to assist in the acquisition or construction of housing accommodation for individuals or families of low income;

(f) to authorize the corporation to make loans to co-operative associations and charitable corporations to assist in the construction of accommodation for university students and their families and to increase from one hundred million dollars to one hundred and fifty million dollars the maximum amount that may be paid out of the consolidated revenue fund for this purpose;

(g) to authorize the corporation to make loans to provinces to assist in the construction or expansion of sewage treatment projects and to authorize the corporation to forgive repayment of twenty five per cent of the principal and interest on any loans made to provinces or municipalities for this purpose in respect of work completed by March 31, 1967;

(h) to increase from two billion dollars to two and one half billion dollars the maximum charge on the consolidated revenue fund for direct loans by the corporation;

(i) to provide for the establishment of a special account in the consolidated revenue fund out of which amounts not exceeding in the aggregate one hundred million dollars may be advanced to the corporation for the making of loans to the holders of mortgages issued in respect of loans insured under the act and for the purchase by the corporation of mortgages issued to secure such loans;

(j) to increase the loan ratio for insured loans made to home owners and builders; and

(k) to provide further for certain changes in the administration of the act.

Mr. Nicholson: Mr. Chairman, just before the committee rose last Thursday evening to report progress on this resolution, I was dealing with the high average cost of acquiring and clearing blighted property in our large cities. I mentioned that the average cost in the two major cities of Montreal and Toronto was approximately $300,000 per acre. I should have pointed out perhaps that these costs are partly offset by recoveries from re-use, but Canadian experience has shown that the loss of about one third of the gross expenditures on the most comprehensive redevelopment projects must be borne and is being borne by the governments concerned.

As indicated by this resolution, the federal government in the national interest is prepared to absorb in future a substantial portion of these losses. Redevelopment, however, will remain essential for those cities in Canada which have depreciated beyond the point of no return, and this need is likely to continue for some time if corrective action is not taken.

It must be borne in mind, however, that redevelopment involves not only high costs

but considerable disruption as well. As a result of redevelopment moves, families are uprooted and often move away from their neighbours and from the areas with which they are familiar. In this connection it must be borne in mind also that although housing conditions may be improved as a result of redevelopment some families will move away and will move into areas that are similarly overcrowded and inadequate. All levels of government, therefore, must be continually conscious of the fact that something must be done in this direction. The economic and social characteristics of redevelopment should spur us all in the search for devices and techniques which will prevent the deterioration of areas to the point where clearance and the bulldozer offer the only remedy.

Our cities need the means to face up to blight with a proper and more comprehensive set of techniques than merely clearance. The problem is too complex to be dealt with simply by a bulldozer. What is needed is a municipal program which in the early stages would stop the spread of structural and environmental decay and could generate the physical, economic and, more important, the social renewal of declining areas or areas about to decline. Such an urban renewal program would encompass, therefore, three activities, not only the clearance type of redevelopment with which I have dealt but also rehabilitation and conservation. Urban blight usually casts its shadow before it and I firmly believe that it can be turned back, if the warning signs are heeded, but the situation must be attended to when these warning signs first become noticeable. Surely some rehabilitative action can be taken before the point of no return, that is, before bulldozing becomes the only solution.

There are large areas in some of our cities which are beginning to show signs of blight. Frequently they are the older sections, sections where there is increased traffic flow from trucks and other slow moving, heavy vehicles, and sections which have been infiltrated with non-residential use. I believe that the spread of blight in many of these residential neighbourhoods can be corrected if vigorous action is taken soon enough. Indeed, we have only to go into some of the older cities in Canada—I am thinking of Halifax, Toronto, Montreal and Hamilton, though more particularly of the first three mentioned—to see, if they cannot be restored and if we cannot preserve the good qualities of some of these old residential sections. I am sure that the splendid residential qualities of some of these older neighbourhoods can be restored by a combination of public and private action.

[Mr. Nicholson.]

Some of the more badly decayed buildings may well have to be demolished, and uses of land, which depreciated the environment may have to be terminated. Undoubtedly new facilities, new utilities and new services will have to be installed and, above all, the owners of private property can and should be encouraged and helped to maintain and improve their properties to reasonable standards. This can only be done, however, by a combination of public and private action.

The government is convinced that rehabilitation of older neighbourhoods must form an important component of any comprehensive urban renewal program, and paragraphs (a), (b), and (c), of the resolution indicate that the government has this in mind.

The third activity which I have mentioned is conservation, which means action to prevent the decay of healthy residential sections that now exist. This in effect is the first and most important—perhaps I should say the most effective—weapon in the prevention of urban decay and, while it is a necessary component of a total program of urban renewal, it is one which by its very nature requires the adoption and enforcement of zoning and maintenance bylaws by the cities, and it falls largely within the purview of provincial and local governments.

This then is the comprehensive program of renewal which I see as the means of helping municipalities to overcome the spread of urban blight. As I have already mentioned, the program involves the redevelopment areas which have depreciated beyond repair, the rehabilitation of areas which can be given extended useful life by positive action, if taken soon enough, and the conservation of all that which is good in the existing urban fabric.

The bill to be presented when the resolution is adopted offers three things to give broader scope and to encourage new kinds of programs of urban renewal in Canada's cities. First, there are additional incentives for redevelopment projects; second—and this is in paragraph (a)—federal aid in the form of contributions or loans for municipal rehabilitation in urban renewal areas and, third N.H.A. loans on existing houses in urban renewal areas will be possible under the new legislation.

In the existing redevelopment provisions, that is, in the act as it now stands, there is the requirement that there must be a substantial residential content in the area, either before or after redevelopment. It is, I think, apparent that comprehensive urban renewal cannot be limited to residential property. The development of fine cities in Canada requires that municipalities be able to clear areas of

blight and slums, whatever their present use may be, whether it is commercial, industrial or residential.

The cost of acquiring and clearing blighted areas is presently shared fifty-fifty by the federal and municipal governments, although in some provinces the provincial government bears part of the municipal share. The municipal share of capital cost is relatively high and undoubtedly this has restricted action, that is, corrective action, in the past. It is the government's intention to widen the act to help municipalities finance their share of capital costs through loans. Again I would refer to paragraph (a) of the resolution.

In addition, the application of federal urban redevelopment grants is to be extended from acquisition and clearance to cover the cost of preparing cleared land for disposal for the re-use proposed. In other words, funds might be provided for worn out municipal services, street and traffic improvements in the selected areas, and for sidewalks and off-street parking in the approved urban renewal areas.

So much for the changes in respect to redevelopment. What of rehabilitation? In this area the federal government now offers aid to the provinces, or to the municipalities that the provinces may designate, to assist in the process of urban rehabilitation. It is now proposed that the federal government offer grants and loans for municipal works in designated areas, where these works are necessary to arrest the spread of blight and contribute to renewal, provided of course the specific area is part of a comprehensive renewal scheme.

Successful rehabilitation depends, however, not just on public works but on private improvements as well, and I believe that the provisions contemplated by this measure will supplement what the private sector of the economy is expected to do. To facilitate private improvements and the fluidity of property markets in renewal areas, the N.H.A. insured loan provisions will be extended to existing housing in designated areas. Furthermore, as the resolution indicates, if private lenders are reluctant to lend in these areas, C.M.H.C. loans will be made available.

As indicated by the resolution, the proposed legislation contains a number of other items, in addition to the urban renewal and public housing provisions to which I alluded briefly last Thursday and again today. In this connection I would draw hon. members' attention to the provisions of paragraph (f) which authorize loans to co-operative and charitable institutions to assist in the construction of accommodation for university students and their families, and which authorize an increase of $100 million for this purpose.

Paragraph (g) provides that loans to provinces will continue in connection with the construction and expansion of sewage facilities, with forgiveness of 25 per cent of those loans, and paragraph (h) provides an additional $500 million for all purposes, which is to be a charge on the consolidated revenue fund.

Paragraph (h) provides for an increase in the fund to take care of the objectives I have been dealing with during the last few minutes and on Thursday evening, an increase from $2 billion to $2½ billion.

Paragraph (i) provides for a special fund of an additional $100 million for secondary mortgages.

Paragraph (j) is intended to increase the loan ratio for insured loans. Hon. members who have read the legislation or who were present will recall that in the last session this was taken care of for a limited period by another method. The loan ratio will be increased under the proposed legislation and there are administrative changes which are contemplated.

At the beginning of my remarks I mentioned there would be an opportunity following the resolution stage to consider the proposed bill in all its detail. I wanted to use this occasion, however, to speak generally about the broad purposes of the measure and the objectives which prompted the government to put forward the important changes about which I have been speaking.

In bringing these remarks to a conclusion I should like to repeat the two most important aims to which I referred some days ago. First there is the wish, the hope, more than that, the intent of the government to do its part in improving standards of housing and housing conditions for those most in need and, in fact, for all Canadians in the elimination of the degrading housing conditions which exist in certain parts of this country, a challenging but realistic objective and one which the government believes should be accorded a high priority in federal housing policy. Second, we can no longer rest content with a federal urban renewal policy, which is confined to clearance and redevelopment alone. Such a policy by implication accepts the process of decay and rot as if it were something inevitable and natural. We know there is no automatic private market process which regenerates urban areas as they decline. Therefore, the government believes that if there is to be such a regenerative process it must be developed as a matter of public policy. We propose to encourage and help the provinces and their municipalities to develop it together with the federal government and its agencies.

Mr. Hales: May I ask the minister a question? He referred to making loans in respect to existing houses in designated areas. Did he mean houses in the 35 designated areas in Canada, or was he referring to designated areas within cities?

Mr. Nicholson: Designated areas within a city. The Central Mortgage and Housing Corporation will negotiate with the various municipalities interested, and when an area has been designated loans will be made available in that area.

Mr. Brewin: We do not wish to delay the passage of this resolution but in our opinion, or at least in my opinion, it is of such importance to the people of Canada that some attention should be paid to it. We welcome the resolution and look forward with a great deal of interest to scrutinizing carefully the legislation to implement it.

I should like to say to the minister that we particularly welcome his statement that this resolution represents a basic change in the concept and a completely fresh approach to the question of housing. We believe that a basic change and a fresh approach are urgently needed. In our opinion, housing is one of the most important parts of the responsibility of any modern government. Indeed, it ranks with matters such as medical care and old age pensions as among the most important questions facing Canadians at all levels of government. I am reminded of an excellent statement on housing and the part it plays in our lives—a statement which was made in an address to the Canadian housing design council by James A. Murray a well known architect, who had this to say of the purpose of housing:

> It shelters the physiological functions of living, sleeping, eating, bathing. It shelters the care and education of children and the private and public domestic life of its occupants. It serves as haven to individuals hard pressed by the group obligations and pressures of modern life. It is a symbol and expression of its occupant in particular and its times in general.

We also welcome the emphasis which the minister has placed upon the need for public housing and the need for the redevelopment of decayed areas. Even more—and I speak particularly for my own constituents—we welcome the attention which has been paid for the first time to the need for the rehabilitation and renovation of the existing stock of housing in areas which are by no means slums, but which can easily become slums if no governmental responsibility is accepted. I agree with the remark the minister made when he said that by international standards most people in Canada are well housed. The emphasis, there, must be placed on the word "most".

[Mr. Nicholson.]

In another address delivered to the Canadian housing design council by Mr. Ian Maclennan, executive director of the Central Mortgage and Housing Corporation, Mr. Maclennan makes the same statement as was made by the minister in the house. But Mr. Maclennan goes on at once to say:

> Nevertheless, there are large numbers of low income families living in desperately inadequate dangerous, and sometimes tragic housing conditions. Thousands of Canadian families can't afford decent housing without some form of subsidy.
>
> It is possible, in theory, to build so many new houses through the private market that adequate housing eventually becomes available even for the very poor. This is called the "filtering down" process and it's never worked very well. It is an expensive and uncertain way of providing housing for low income families. Expensive because it requires sufficient new housing not only to meet their particular needs, but enough to improve the housing circumstances of everyone else as well. It's uncertain because it requires a public policy to sustain the demand for new housing far beyond the normal market requirements.

Then he goes on to say:

> The most direct, economic and certain way of meeting the problem is to build, buy or lease a stock of housing and allocate it to the families who need it most, at prices they can afford to pay. By whatever method this housing is acquired, subsidies of one sort or another are needed, and this is usually called public housing.

Then the author goes on to refer to one of the greatest failures in our whole domestic housing policy in Canada, that is, the failure to meet the need for public housing. Admittedly, this country has done very well through the National Housing Act in financing the housing of the top 50 per cent of the people of Canada. A tremendous stock of houses has been built. But the endeavours at the different levels of government to meet the needs of those who have the greatest housing difficulties, the other 50 per cent, have been a failure. I welcome the frank words of the minister on this subject and the provision contained in the resolution. I hope the legislation will change the picture, because the picture certainly needs to be changed.

Mr. Maclennan goes on to say:

> The National Housing Act provides for the construction and operation of public housing in Canada—on the initiation of municipalities, with the approval of the provinces. In 14 years the program has produced only 8,000 subsidized dwelling units—

That is somewhat different from the figure the minister gave us. I think he said that 9,000 were subsidized out of 12,000 units built. Mr. Maclennan's figure may be earlier; he says that in 14 years the program has produced only 8,000 subsidized dwelling units. He goes on to say:

> —and there is no doubt that thousands more are needed. An approximate comparison indicates that in 1961 the British paid about $3.15 per capita

in annual subsidies for public housing, the Americans about $0.80 and the Canadians just under $0.10.

I referred earlier to a speech made by Mr. Murray on housing and architecture. I wish to read something he has to say on this subject.

In the 1950-60 period some 3,600 units of subsidized housing were laboriously achieved alongside some 1,263,000 private housing starts or 2/5 of 1 per cent of the private market. This should indicate that as a nation we are so rich we don't need it, so poor we can't afford it, or so ineffective we can't do it. It is not the purpose of this paper to assess which is nearer the truth.

Although Mr. Murray was too tactful to assess which is nearer the truth, we will assert that it is not because we are so rich that we do not need this public housing in Canada, and it is not because we are so poor that we cannot afford it. The real reason is that we have been so ineffective that we have not been able to do it; and I hope this resolution and the legislation which will follow will bring a change in that field. Mr. Murray goes on to say that we have made excellent progress in home building for the upper income brackets. He says:

This home builder segment of the total housing machine is extraordinarily effective and the private builder plus private client, plus government insured mortgage system is tremendously effective in the top income third and through the upper half of the middle third—all this is done under the agreeable twin euphemisms of private housing and home ownership.

If we are to take seriously the need for housing, which is so tremendously important to the families of Canadians, including not only those in the big cities but those in other communities as well, we have to accept the lead of other countries, acknowledge the need for public subsidized housing, and change the picture; and I welcome the indication the resolution gives, that the government intends to bring in legislation for this purpose. Because of the fact that in Canada the responsibility is divided, it seems to me the danger is that we do not have an adequate amount of planning and co-operation between the different levels of government. I fully appreciate that there is a constitutional problem involved in direct communication between the federal government, which is responsible for a substantial amount of the financing of housing, and the municipal governments which are, as has been said, the creatures of provincial legislatures. But the time has come when, if we mean what we say about co-operative federalism in a vital and urgent subject like housing, we need constant conference among those who represent great urban areas like Toronto—I mention that first because I happen to live there—or Montreal, Vancouver or Winnipeg, the representatives of municipalities, which have the local initiative to carry out these plans, the provinces which have their share of responsibility, and Central Mortgage and Housing Corporation.

It is not good enough to pass legislation which enables the federal government to do certain things. There is a great and urgent necessity for strong leadership; and I welcome the statement of determination that I read in the minister's speech. It is to be found at page 3717 of *Hansard,* where he said, if my recollection is correct, that the goal of this legislation is frankly ambitious and it encompasses nothing less than a decent standard of living for all Canadians. That is a laudable objective, I say to the minister; but it cannot be accomplished without the most vigorous initiatives and the highest degree of co-operation among the different levels of government.

I want to refer for a moment to a part of the city of Toronto—I do so because I represent a riding in that city—where people have lived for 50 or 60 years in a very pleasant but not wealthy locality with good schools, excellent recreation centres and other things of this sort. But unless steps are taken, and taken soon, to put the impetus of government financing behind the rehabilitation, the renewal of that sort of area which is by no means a slum area or one suffering slum conditions, and unless the same energy is employed that is going into financing the building of suburban areas for the upper income groups, in the course of time we are going to find that we have failed in the laudable objective the minister has put forward.

What is needed in respect of the rehabilitation of some of these central areas of the city? What is a comprehensive scheme of urban renewal? Again, Mr. Chairman, I have reference to the speech made by Mr. Maclennan, because he puts it much better than I could, to the Canadian housing design council on April 22 of this year. This speech was given at the Royal Ontario museum, Toronto. Mr. Maclennan said this:

A comprehensive scheme of urban renewal would encompass a whole range of aids to re-establish confidence and vitality in deteriorating neighbourhoods. These would include, besides redevelopment and public housing at least four other measures.

(1) Refurbishing of community services such as streets, lighting, parks and schools. This would depend on financial aid to the municipality for help in replacing utilities and facilities in parts of the area being developed. This is important because lending institutions are unlikely to invest in renewal areas which are in unsatisfactory condition.

(2) Partial rehabilitation for houses which do not require total clearance. This must be done quickly if the deterioration of the buildings and their surroundings are not to reach a point where

it will not be financially wise to invest in repairs. The basic demands of rehabilitation are to use what we have that is worth using, and to keep costly redevelopment to a minimum.

I commend that statement to the minister. Redevelopment schemes at the centre of big cities are apt to be very expensive; they do not meet the neighbourhood needs; the people are sometimes put out and expensive apartments are built in their place; commercial areas grow up—and this may be perfectly all right—or office buildings. This is perfectly good planning; but if it is rehabilitation of what we have already that is needed, this type of costly revelopment is a great disservice to the people of Canada. Third, he says:

Financial assistance in the form of loans to owners of existing houses (in areas included in the urban renewal program) to increase their marketability, or to assist those wishing to rehabilitate their own dwellings. Through this plan residential buildings could be given additional life of many years.

I understand the legislation that is proposed will enable this to be done, and I welcome that very warmly because I think it is an important change of direction. I only hope it is followed up with energy by whoever is responsible. I do not know whether this minister is to continue with the responsibility indefinitely, but if he is I say to him that this part of the program should be followed up with the greatest energy, because I think it is very important. Mr. Maclennan goes on to say:

Neighbourhood conservation through the enforcement of building maintenance codes and occupancy bylaws.

That is not a matter, of course, for the federal government. Then he says:

A combined attack of public and private enterprise on urban blight through such a comprehensive plan could alter the face of our cities in a substantial and dramatic manner.

I believe that is what we can get if this legislation is effectively put into operation, and to be put into operation it needs, as I say, co-operation between the various levels of government. I want to give an illustration of a lack of adequate co-operation, as it seems to me, in this field of housing in relation to a well meant effort that went astray. I happen to know something about it, and I asked a question about it in the house, by putting my question on the order paper. It was answered in *Hansard* of May 6, 1964. My question related to the cost of a partnership development project entered into between the province of Ontario and central mortgage and housing for the acquisition of farm lands in the township of Scarborough. This appears at page 2971 of *Hansard* and it concerned land in the neighbourhood of Malvern which was intended to be acquired land for low cost housing. My question asked:

What was the total sum of money paid out to farmers who owned the lands expropriated for the purpose?

It turned out that it was something over $2,300,000. The farms were expropriated in 1953 and I asked what housing developments, if any, had taken place under the project. The answer was that the lands have not yet been developed. After the farms were expropriated some of the land acquired for this joint housing project was rented back to the farmers, but no action was taken in respect to this land assembly at all. The reason will become apparent later.

Then I asked what was the cost in interest of this acquisition, apart from paying off the farmers, the reply was that the cost in interest which had accrued to March 31, 1964 was $765,070, with legal survey and sundry charges of $77,411. The net recovery from the rental of land and buildings was $93,401.

Then I asked whether any of this land had been sold, but only small parcels had been sold to the board of education and to other bodies of that sort. Certain small parcels had been leased.

Finally I asked:

If no serious development has taken place or is contemplated in the near future, what do the government of Canada and the government of Ontario propose to do with the lands in question?

The answer was as follows:

It is intended to make this land available for urban development as soon as the necessary municipal trunk services reach the area. Plans for a comprehensive neighbourhood will be prepared at the appropriate time. Land will be set aside for community facilities and for public housing projects to accommodate families of low income.

This answer to my question indicates a serious lack of intelligent, over-all and co-operative planning. We are told why this land was acquired and what the cost in interest amounted to, and nothing has been done with it. The reason is that there had not been the necessary municipal trunk services to reach the area. The land is not serviced and there are no plans to service it.

I was very happy to see in this resolution the statement that, included in the new legislation would be a provision whereby it would be possible to authorize the corporation to make loans to provinces to assist in the construction or expansion of sewage treatment projects, and to authorize the corporation to forgive repayment of 25 per cent of the principal and interest on any loans made to provinces or to municipalities for this purpose in respect of work completed by March 31, 1967. If we are going to develop new low cost housing projects through government

partnerships—which is an admirable concept —the municipality concerned should be consulted at the beginning, and the necessary arrangements made to ensure that at some appropriate period services will be made available. Otherwise the government is putting farmers off their land and speculating whether or not at a later date they will take a substantial loss. This acquisition to which I referred was in 1953, 11 years ago, and the land has just been left as it is. True, it has been rented back to the farmers, but the housing project was never started and I think the reason was that which I mentioned, lack of adequate planning at the time.

Before I sit down I should like to call to the attention of the minister another matter which, while it is local in one sense, is I think duplicated in many other parts of Canada, certainly in urban areas and cities. The minister will recall that a deputation from the city of Toronto, including Alderman Mrs. Birchard, and the commissioner of planning, presented a brief on the problem of homeless men in the city of Toronto. This brief pointed out that in the city of Toronto there is a serious problem in accommodating homeless single men who are aging and without employment.

I am not going to go over the whole story. Many of these men are over 50, have had little schooling and have few skills. The brief points out the lack of facilities to fill in the spare time of these persons. As the minister will recall, the brief speaks of a good neighbours club which was started in 1957 in a converted house provided by the city. The initial membership of 300 has now grown to over 1,900. Four or five hundred men crowd into the building in order to try to get some place of shelter and recreation during the day.

I would urge, as the brief also urged, that the amendments to the National Housing Act should deal with the plight of these men who are so placed because of social and economic changes beyond their control. I submit it would be appropriate and desirable to include amendments to the National Housing Act so that it would be possible not only to provide such men with adequate living accommodation but also to make available centres where, whether living in housing projects or not, they could find daytime shelter and occupation, recreation and job training. This is the request of the municipalities. I hope the minister will be able to give a favourable response to it, because these are people who are in urgent need, not only in the city from which I happen to come but in many other cities throughout Canada. They are people over 50 years of age with no jobs or opportunities, living in rooming houses of the least desirable sort and having nowhere to go during the daytime.

As I said initially, we do not desire to delay this resolution, because we think these amendments to the National Housing Act are good in intent. We hope they will enable the government to do important work in this field. As I said originally—I think the minister agrees with me because he stated this himself in other words—this is a basic need, if all levels of government are to discharge their responsibilities to the people of Canada. This is one of the most important subjects which has come before the house. Other matters placed before us, which are debated at great length and involve a great deal of motion, are in my humble opinion, far less urgent, as far as the lives of some families are concerned. I most earnestly commend the government for introducing this resolution and I hope the legislation will live up to the standard set out therein. I hope even more that the performance of this and of successive governments, and the basic change which the minister has announced, will deal with the urgent need of housing among the low income group in Canada, the people who need it. I would not worry so much if we stopped providing loans to persons like myself who could afford to look elsewhere. I would worry a little more about those who cannot afford decent housing. Slum clearance is fine, but prevention is far better than cure. This resolution is moving in the right direction. Let it not lie on the statute books like idle letters, as in the case of so much housing legislation in the past; let it be implemented with vigour. If it is, a great contribution will be made to the families of Canada.

[*Translation*]

Mr. Lessard (Lake St. John): Mr. Chairman, at the beginning of my remarks, I should like to pay a tribute to the late minister, Mr. Garland, and to point out that he was the member of the house who took the most active and heartfelt interest in the problems of his fellow Canadians in the field of housing.

Even if we recognize that the Postmaster General (Mr. Nicholson) has great merits in moving this resolution, at the present time, we undoubtedly all know that the suggestions placed on the order paper are the result of the work done by the hon. member for Nipissing who died some time ago.

In addition, I wish to refer to the fact that, last week, the Central Mortgage and Housing Corporation was also saddened by another sudden death, that of Mr. Bates, who was its president for many years.

At the same time, I want to tie those events to another one to mention that—perhaps, as I strongly hope so, this is a mere coincidence

—the person in charge of the corporation's Montreal office also died a few days ago of a heart attack.

Whether those are mere coincidences, I cannot tell. I hope so but, following those three events, we might conclude that the department, for some time, has been subjected to such strong pressures and that the projects now to be dealt with were of such importance that, to a certain extent, they might have caused their death.

However, I do not want the program now before us to be pigeonholed. If, by means of this resolution and the bill that will follow, we can make a truly valuable contribution to improve housing conditions in this country, we shall be building at the same time a monument in honour of those who were behind the drafting and promotion of this resolution.

In my opinion, the former minister, the late Mr. Garland, as well as Mr. Bates and the other person from Montreal, whose name, unfortunately, slips my mind at this time, have certainly contributed, with their associates, in offering us the amendments to the act.

The amendments proposed have been hoped for a good many years. In my opinion, as the hon. member for Greenwood (Mr. Brewin) said, we must consider first the situation of municipalities with regard to what we offer them at the present time.

Will the municipalities be in a position to undertake municipal works programs?

Do we have at the present time that committee which, I believe, is required to communicate with the municipal and provincial authorities and the federal government, and allow us to adopt policies agreeable to each of the concerned groups, so that we could rest assured that as soon as the act is passed, it can be immediately enforced. Unfortunately we in Quebec have had, in the past, some rather difficult experience with federal legislation. I do not bear any grudge against anyone, but I know that on account of our very special context in Quebec, certain federal measures have always been difficult to administer.

I would like to refer more particularly to the fact that we have in Quebec a legislation providing for a 3 per cent rebate on the interest paid on a loan directly granted by the Central Mortgage and Housing Corporation or by another organization vouched for by the corporation. The 3 per cent interest is connected with the assessment of the house itself. This assessment comes under the jurisdiction of the investigators of the Central Mortgage and Housing Corporation. It happens sometimes—I know personal and typical examples—that assessors under federal responsibility are inclined sometimes to increase this value to justify a higher loan.

Now when this amount exceeds the limits set by the provincial government for the 3 per cent interest rebate, then the prospective owner of the house cannot benefit from the 3 per cent rebate which at the end of 20 or 25 years represents a very substantial amount.

I know that it may be difficult to adjust the federal and provincial legislation so that they may be complementary, but I feel that it is my duty to draw the attention of the minister to that point, especially to this advantage granted to the Quebec low wage earners to enable them to buy their own house.

That opportunity, which is offered to them by the provincial government, a reduction of interest is one that I should like the whole Canadian population to share. That is why I wonder, since there seems to be a definitive indication to move along their line, if the provincial opportunity offered at present by Quebec could not be extended to all Canadian citizens.

Could a federal measure not supplement that provincial legislation? Is such a move the responsibility of the provinces as far as the constitution is concerned? This is a point which can be argued upon, but if the federal government, which has more extensive credit powers than the provincial governments, if the government can, as it did today, in the proposals before us, vote, for instance, under item A, $100 million, under item F, $50 million and under item H, half a billion, for a total of $650 million, it certainly can extend that advantage to all the provinces. Then, I wonder about the ceiling on those amounts. Why $100 million, $50 million, $500 million. What are the true limits, since those credits apparently will be issued so that some people may build themselves houses, so that the corporation may back up loans and allow the municipalities to undertake planning and clearing projects in blighted areas. If the federal government is able to issue such credits, it certainly can, in my opinion, do without a portion of the 6 and 7 per cent interest it collects on those loans at the present time.

I am sure that they could be reduced in order to help the Canadian citizens, in order to allow small wage earners, in whom we are particularly interested—those earning $5,000 or less yearly—to become home owners.

However, the burden placed upon school boards and municipalities, which are compelled to raise their tax rates which have to be paid by the small home owner, defeats the very objective we have in mind.

In the province of Quebec especially, municipal taxes have doubled in the last three years. I know many persons who bought a home five or six years ago and who today are wondering whether to dispose of it or to deny themselves the bare necessities.

Mr. Chairman, that shows to what extent our provincial and municipal governments need sources of revenue precisely in order to assume their responsibilities. And when I see that the federal government offers to loan more than $650 million, when I think that it has so much money at its disposal, I wonder immediately why it does not withdraw from some taxation fields to enable the provinces and, subsequently, the municipalities to take them over in order lighten the burden which now falls on the shoulders of the small property owner and which seems to keep on increasing.

When I deal with that problem, I know that I touch upon a most sensitive matter as far as several hon. members are concerned—

[*Text*]

The Deputy Chairman: I apologize for interrupting the hon. member, but the time allotted to him has expired.

Mr. Lessard (Lake St. John): Do we have only ten minutes on this measure?

Mr. Herridge: Mr. Chairman, the hon. member has only had ten minutes.

The Deputy Chairman: I presume there has been some mistake. Would the hon. member proceed, please.

[*Translation*]

Mr. Lessard (Lake St. John): The resolution under study considers the possibility of granting loans and subsidies. There again, I wonder how we will be able to reconcile loans made by the federal government directly to the municipalities? I know that in Quebec that raises a problem. Will those loans be granted to the municipalities under the Municipal Development and Loan Act we passed last year, since at the time we offered the provinces the possibility of making direct loans to the municipalities or to make them through the government of a province which does not want to allow the federal government to interfere directly in a field which does not come under its jurisdiction in short, which does not want to allow the municipalities, which are its creatures, to go over its head.

I feel this piece of legislation will open new grounds for constitutional quarrels with Quebec province which as we know, is very ticklish about its rights, and rightly so—

[*Text*]

Mr. Nicholson: Mr. Chairman, perhaps it would save time later on if I assured the hon. gentleman and other hon. members that this resolution and the principles of the legislation have been discussed with all ten provincial governments and they are in agreement with it.

Mr. Lessard (Lake St. John): Thank you, Mr. Minister.

[*Translation*]

If the Quebec government has accepted the resolution as drafted, it would therefore appear that there are, in the act, provisions allowing it to protect its interests or sensitivities concerning autonomy, and I am very happy about that. At any rate, when we have before us the details of the bill, we will surely be in a position to appreciate it better.

Mention is also made of the possibility of getting rid of slums. Now, in the oldest Canadian city, Quebec city, a recent survey disclosed that in some of the original sections, more than 40 per cent of the houses were unsanitary and no longer up to the requirements of public health. I am sure there is in the bill to be passed a possibility for Quebec city to avail itself of some provisions to improve its old sections.

I hope that the act provides the possibility to grant loans for the improvement of these old sections, because I would be the last one to ask for the removal of these old historical sections of the old capital, the first city of Canada. I would like the owners of such historical buildings to be offered the possibility to renovate them and the necessary funds to restore these buildings in their original style, so that old Quebec can maintain, on American soil, the characteristics of old France which cannot be found anywhere else here on the North American continent.

Mr. Chairman, this is a program which could very well be described as a joint plan. It will be joint plan because the federal, provincial and municipal governments will be called upon to partake therein. Unfortunately, those joint programs inevitably bring about some tension, favour certain groups, enforce elsewhere undesirable controls, and I hope that when we examine in details the items of the bill, we will be able to see to what extent each of the interested parties is allowed to manage its own field of jurisdiction.

Having said that, Mr. Chairman, I will conclude, to allow other members of the house to speak before five o'clock and to end the debate as soon as we possibly can, so that the resolution may be accepted and that the bill itself may be proceeded with.

National Housing Act

Mr. Gauthier: Mr. Chairman, I do not want to delay the house, but there is just one question I should like to ask the minister as to subsection (b) where it says:

> To authorize the corporation to make loans and to insure loans made by approved lenders to owners of existing houses in areas included in urban renewal programs;

I should like the minister to tell me whether this would apply to a house built about ten years ago, that the owner bought through a financing company on exorbitant terms: for instance, he bought a moderately priced house but he has to pay monthly instalments amounting to $120, $125 or $150 merely due to the fact that the financing company would not grant him a loan for more than three or four years.

I would like to know whether in such circumstances, the amendments to the National Housing Act would allow these people to avail themselves of the Central Mortgage and Housing Corporation's help and obtain a loan on houses of that kind so as to be able to pay a normal amount of $40 to $45 per month. Nowadays their houses are being taken away from them because they cannot pay the amounts they thought they would be able to meet some two or three years ago; they cannot pay them any more on account of the depression prevailing in our areas which are rightfully called depressed areas.

I should like the minister to tell us whether it will be possible for those people to avail themselves of the benefits made available by the Central Mortgage and Housing Corporation.

[*Text*]

Mr. Winch: Mr. Chairman, I appreciate the opportunity of speaking on what I consider to be a most important resolution, but as the time is approaching five o'clock may I simply open my remarks by expressing on behalf of our group our sincere feeling of loss in the passing of Mr. Garland and Mr. Bates, two men who had a remarkably keen interest in the very matters we are now discussing. In honour of their memory I feel we should give intensive consideration to this most important matter of housing.

May I call it five o'clock?

The Deputy Chairman: Order. It being five o'clock and in order that the house may proceed to the consideration of private members' business it is my duty to leave the chair.

The Acting Speaker (Mr. Batten): 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 motion.

[Mr. Lessard (Lake St. John).]

CANADIAN FLAG

SUGGESTED LEGISLATION ACKNOWLEDGING RED ENSIGN AS DISTINCTIVE NATIONAL FLAG

Mr. J. A. McBain (Elgin) moved:

> That, in the opinion of this house, the government should give immediate consideration to introducing legislation that would acknowledge the Canadian red ensign as Canada's distinctive national flag as endorsed by the Royal Canadian Legion and the I.O.D.E.

He said: Mr. Speaker, in bringing this motion before parliament I do so on behalf of those people who cannot speak for themselves in parliament except through the voices of their elected member or members.

When I placed this motion on the order paper last February I did not realize at that time that the Prime Minister of Canada (Mr. Pearson), come hell or high water, would rush the personal selection of his pennant to the stage where he was going to have his flag announced before my motion came up for debate. The views I wish to place on record this afternoon are my own personal views, as well as the opinions of approximately 90 per cent of the letters I have so far received from the people I represent—and naturally I am speaking of my own constituency, the riding of Elgin.

I can assure you, Mr. Speaker, that I do not speak for the Conservative party as a whole, for we on this side of the house are free thinkers and free speakers.

Mr. Winkler: Hear, hear.

Mr. McBain: We are not like the Liberals who, on a Tuesday, were told by the Prime Minister, "When the flag question comes up for a vote it will be a free vote and you can vote as your conscience dictates," and then a few days later he changed that and made the statement that the government would stand or fall on the flag question. Oh yes, the Prime Minister says to his supporters, "It will be a free vote, but you vote for me and my flag—or else."

I do not know if the Prime Minister has as yet got himself on to that high water mark, but he sure has been getting heck from a lot of people who have expressed their opinions to me by telegram, mail and telephone. Universally public opinion, as I have received it, is, "Don't let Pearson throw our Canadian ensign into the garbage can." We wonder if the Prime Minister has forgotten that the red ensign really is the Canadian flag, as it was made so by order in council of September 5, 1945, P.C. 5888, signed by the Governor General, where it is ordered that—

> —the red ensign with the shield of the coat-of-arms of Canada in the fly, (hereinafter referred to as the Canadian red ensign), may be flown from

buildings owned or occupied by the federal government within or without Canada—and that it shall be appropriate to fly the Canadian red ensign, within or without Canada, wherever place or occasion may make desirable to fly a distinctive Canadian flag.

Some weeks ago a question was placed on the order paper and eventually answered. It asked how many signatures the Prime Minister had so far received from persons who wished to have the Canadian ensign maintained as Canada's national flag. At the time of the reply, which was early in April, some 98,000 signatures had been received supporting the Canadian red ensign, and these were all of a voluntary nature. I am sure if a petition were widely circulated throughout Canada it would contain more names than were ever received by any government on any other matter, in support of our Canadian red ensign flag.

I have taken the opportunity to read the many letters appearing in the press from time to time, written by individuals concerning a Canadian flag. The great majority of these letters support the Canadian red ensign, and I am sure the writers have given this matter their serious consideration before writing to the editors of their respective papers.

The only distinctive flag for Canada is the present ensign and no other. It contains the union jack, which represents our union with the great commonwealth of nations. The coat of arms represents the four great peoples who discovered and built up Canada into one of the great nations of the world, the English, French, Irish and Scots. What more do we need for a distinctive flag?

In the last three wars over 100,000 of our finest citizens gave their lives for the defence of our ensign and what it represents. Does that not make it a distinctive flag? There are millions of fathers, mothers, wives, brothers, sisters and children mourning today for their loved ones who gave their lives that we should be free and not under a dictatorship. These people are proud of those who made the supreme sacrifice in upholding ensign and country. This also makes our ensign distinctive.

I agree that flag as it stands today may not be entirely acceptable to everyone in Canada, but I am equally certain it is acceptable to the majority of us who are proud to call it our flag. The flag is not only for display to Canadians in Canada, or simply to visitors to Canada; it is our symbol overseas in all countries and also in the United States and must, therefore, be a flag in accordance with the long accepted principles of heraldry and tradition.

Canadian Flag

Speaking on behalf of the Royal Canadian Legion and the ladies of the Imperial Order Daughters of the Empire, who have taken a definite stand on our flag question and universally adopted the Canadian red ensign, they have put forward, time and again, their stand to the Prime Minister and to members of parliament. Recently the annual Canadian Legion's convention in Winnipeg and the annual meeting of the I.O.D.E. again unanimously adopted the Canadian ensign as Canada's flag.

Of course, as we all know, the Prime Minister thought he would brave the lions in their own den and make an appearance at the annual meeting of the Royal Canadian Legion in Winnipeg to unveil to them his proposal for his new flag. I believe it is true that he was booed and cheered to some extent when he announced the proposal for a flag, but how otherwise could these 1,900 delegates raise an objection to a flag, other than the Canadian red ensign, before the Prime Minister of Canada when he was attending their meeting? Would each one of them have had the opportunity to express his individual views to the Prime Minister? No, Mr. Speaker.

It is interesting to note the words of Mr. C. B. Sinclair, second vice president of the Canadian corps association spoken last fall. He had this to say:

The time for a different flag might have been in 1867, at the time of confederation, but certainly not 1967, the one hundredth anniversary of confederation. The day is long gone when any federal government should consider tampering with our Canadian red ensign, with its long history and tradition. To do so now, would I think, be an attempt at political expediency of the lowest order. If the various "ethnic groups" which have migrated to Canada from other lands, and have become an integral part of our growing country are told with absolute and complete finality, that the Canadian red ensign is the flag of Canada, they will accept this as part of their new life, as happily and as completely as they accept all other aspects of their newly adopted country. Our present government and its immediate predecessor have been forced to function as minority governments, which is sometimes difficult, but we firmly believe in the maturity of the Canadian people, and, if our federal government can find the courage to govern wisely, with political considerations giving way to national necessities and well-being, the citizens of Canada, both new and old, would applaud such courage, and we could all look forward to 1967, when our nation will celebrate its one hundredth birthday, and with this centennial celebrated under the same flag as its birth—who could ask for greater consistency?

I feel the Prime Minister has left the impression with the people of Canada that the majority of his present mail favours a new flag. But I wish to place on the record a portion of a letter that he received and which I am sure neither he nor any of his supporters will be placing on the record for public scrutiny. It is from a resident in

my constituency who was kind enough to mail carbon copies of it both to myself and the Leader of the Opposition (Mr. Diefenbaker).

I was speaking to this gentleman yesterday and he said it was the first time he had ever written to any leader of any government, but he was so incensed when the announcement of a new flag for Canada was made that he had to sit down and put his feelings in a letter and direct it to the Prime Minister of Canada. This is a six page letter, but I am only going to deal with the first two pages which cover the flag question. It reads as follows:

St. Thomas, Ont.
May 16, 1964

Hon. Mr. Lester B. Pearson,
Prime Minister of Canada.

Dear Sir:

Regards your tenure of office as Prime Minister and your vaunted 60 days of decision which has turned out to be 300 days of indecision, I have listened to your interviews on television with Mr. DePoe and Mr. Pelletier and others and your own admission in the press that you have made many mistakes this term. I have always admired your abilities. But these interviews have been very disappointing. You give the impression of a schoolboy trying to convince the teacher he has his homework done when he has not. Why all the sidestepping? If you don't change you may go down in history as the most destructive and incompetent prime minister Canada has ever had. Your inability to control the country. Why do you allow threats against the Queen? A good leader would make short work of the F.L.Q. and others. Regards your promise of a new flag for Canada. By what right as an individual have you to make a decision to change the flag of our country? Then push over on us one of no meaning. The maple leaves bud in the spring and die in the fall. What shall we cling to the rest of the year? Your explanation at Espanola, Ontario, to the Canadian Legion was very weak.

Your remarks of how proud we were in the first world war to wear the maple leaf on our uniforms. Yes, only denoted to other army personnel of other countries where we were from. They also had a mark of distinction on their uniforms. It was the red ensign that held us together. It was for that the boys bled and died for. Have you forgot 1892 when it was first used. The order in council by the cabinet in 1924. The federal order in council 1945. That the red ensign was the national flag for Canada. This is the flag of unity for all Canada. Mr. Prime Minister are you listening to the voices of the extremists for your own personal gain and trying to push over on the majority of this meaningless rag. In Ontario there is a town of Delhi on No. 3 highway. This community is largely made up of peoples of nationalities of every race of Europe as well as Canadians. They all live peaceably together. The different races speak their own tongues within themselves. Yet at the roadside of No. 3 highway they have a large red ensign encased in glass and illuminated 24 hours a day. The inscription reads "This is our flag, let's keep it flying". This should be the motto for all Canada.

That is why these people came to Canada to be under that flag.

[Mr. McBain.]

Since the end of the second world war in 1945, many persons from European countries have emigrated to Canada.

Mr. Côté (Longueuil): Would it be possible for the hon. member to identify the author of the letter he was reading?

Mr. McBain: The author is Mr. Louis Coughlin of 144 Wilson avenue, St. Thomas, Ontario.

As I was saying, since the end of the second world war in 1945, many persons have emigrated to Canada from European countries. They felt they could no longer remain under a dictatorship in their own country and Canada, therefore, was their choice. They knew that here in Canada they could be given freedom of religion, freedom of speech, freedom of assembly and association and freedom of the press. Never in Canadian history has a prime minister and his government tampered with the rights and privileges of so many people in such a brief period of time. It has been accepted since confederation that we should maintain and respect the two languages of our country. What we have before us on the order paper is a resolution dealing with two flags—

The Acting Speaker (Mr. Batten): I hesitate to interrupt the hon. member but I would point out to him the terms of his own motion which he is now debating. Any reference which he might make to the resolution on the order paper would be out of order, as the hon. member will find if he reads citation 131 on page 116 of Beauchesne or if he reads citation 403 of May's sixteenth edition. But I believe I can make it very clear to all members of the house by drawing attention to part of citation 149 on page 127 of the fourth edition of Beauchesne paragraph (d) which states that a member while speaking must not—

—(d) anticipate discussion on a motion set down for future consideration.

Although it will be quite in order for the hon. member to continue his argument in support of the red ensign, any reference to the motion which is now on the order paper would, I think, be patently out of order and I think the authorities also take that view.

Mr. McBain: Thank you, Mr. Speaker. That was just a passing reference I was making to the motion which is on the order paper. I thank you for drawing this to my attention and to the attention of other speakers who may follow.

I think that we as members of parliament are all desirous of having unity within Canada. My question is this: Why the sudden rush for a new flag? What is wrong with our Canadian red ensign? It would appear that the Prime Minister and his government are

using the flag to camouflage their inability to govern. Some weeks ago we heard the Prime Minister outline some 30 pieces of legislation he wished to have approved before the summer recess. Let us get on with the business of parliament to provide jobs for people and put food into persons mouths; let us bring in legislation which will unite Canada's population, not divide it. Let us have one Canada and one flag—the Canadian red ensign.

[*Translation*]

Mr. Gérald Laniel (Beauharnois-Salaberry): Mr. Speaker, the notice of motion that we have now before us deals with a subject in which a great many Canadians are interested at this time. I do not intend to engage in a broad discussion of this matter of a distinctive national flag; I will confine my remarks, pursuant to standing orders, to the content of this resolution which would have this government acknowledge the Canadian red ensign as the distinctive flag of Canada, as it is endorsed by the Royal Canadian Legion and the I.O.D.E. Although I completely agree with the principle of giving our country a distinctive national flag, and that as soon as possible, I cannot agree to this motion introduced by the hon. member for Elgin (Mr. McBain) whereby this distinctive flag would be the red ensign on which we find the union jack and the coat of arms of Canada.

I am taking the liberty to add that, not only do I speak in my own name as a responsible member, but also for the people I represent, the people of Beauharnois-Salaberry county. I have met with my constituents during the last few days, and I feel quite free to express my views in the house.

I cannot see how we could consider that flag as really distinctive of our country while it shows the emblem of another country. Like many other Canadians, I have also learned to respect the Canadian red ensign and to accept its use during the last few years; but it has remained for me a pennant, an ensign, and not a flag meeting with the aspirations of a young and dynamic country.

It is a good thing that a flag should reflect our past but, on the other hand, it does not have to be a Canadian history book. We have the duty to select a flag which will really identify Canada and which, at the same time, will be an emblem that will make us look to the future, and a symbol of hope for our youth and future generations.

The union jack, in the upper left hand corner of the red ensign is, of course, a beautiful flag from an aesthetic point of view and it shows the origin of the British people by the superposition of the Cross of St. George, England's flag, the Cross of St. Andrew, Scotland's flag, and the Cross of St. Patrick, Ireland's flag. However, the union jack has nothing Canadian, even though one third of the Canadian people are of British descent.

Our ancestors came to Canada to build a new country, a young country, a self-governing and independent country which, today, can assume its responsibilities in international affairs where its influence is well known. Therefore, Canada can and even must have a flag distinctive from that of any other country, showing that it is not under the dependence of any foreign or friendly nation.

I wish to offend nobody, but the red ensign still remains basically the flag of the British merchant marine, on which the coat of arms of Canada has been added. Only one fiftieth of the surface of the red ensign shows a really and purely Canadian identification, that is the three red maple leaves on white background which appear on the bottom part of the coat of arms of Canada.

From colonial states, our country achieved the status of a self-governing state. Then, it obtained its sovereignty and finally became one of the recognized nations of the world. This progressive and peaceful evolution took place without disrupting our relations with the motherlands of our founders. As this political evolution is now over, it is our duty to show it to the face of the world.

Why should the union jack instead of coat of arms of our country be in the foreground of a Canadian flag? Why should we not follow in respect of a national flag the same policy we started to implement, that is to strengthen Canadian thought, create a real Canadian image and, in a common effort towards understanding, unite Canadians from coast to coast.

Mr. Speaker, it is mentioned in the resolution introduced by the hon. member for Elgin that the Royal Canadian Legion and the Imperial Order of the Daughters of the Empire are in favour of the adoption of the red ensign as a national flag.

So, before concluding my remarks, I will discuss this point, for I am a veteran who served under this flag, as a member of the Canadian air force during the last world war. I am also a regular member of the Canadian Legion, section 62, in Salaberry de Valleyfield.

I admit that the national directors of the Legion want us to maintain the red ensign as the Canadian flag. I did indeed go to Winnipeg for the opening of the convention, not only as a member of parliament, but as the delegate of my section, with a proxy when it came to the vote. I am far from being convinced that all the members of the legion in this country are in unanimous

agreement in this matter, and indeed, we have lately heard certain branches approving the Prime Minister when he submitted a distinctive national flag, on which there was no sign of allegiance to any other country. May I read to you the following letter addressed to me on May 12 by Mr. Larry Soly, chairman of local 62, in Valleyfield,

Dear Gerald:

We ask our members' views with regard to the flag, and these were the results:

Red ensign: 30 per cent in favor.
Distinctive flag: 70 per cent in favor.

I hope that your stay in Winnipeg will be pleasant, and that you will find some time for rest.

You may use the two proxy votes of local 62, as you see fit. Dave Watson, our district representative, will also be at the convention, and he will certainly be pleased to meet you there.

Cordially,
Royal Canadian Legion 62
Larry Soly, Chairman.

Mr. Speaker, it is a significant fact that my section should have taken it upon itself to write this letter to me, without my having made any request in this respect, and should have given me its unlimited trust, whereas last November its members had had every opportunity of knowing my views on the flag question, when I had been invited as a speaker at their meeting. In Winnipeg, I also had an opportunity of discussing with several members of the Legion, from various parts of the country, and even there some were ready to accept a national flag which would be really distinctive, other than the red ensign, and also a certain number of others who were not fighting with such grim determination for the red ensign as might be gathered from the statements coming from that convention and the resolutions which were voted at the meetings. I also had an opportunity of meeting a few young students from Winnipeg with whom I discussed the matter of the flag, and the hon. member for Jacques-Cartier-Lasalle (Mr. Rock) was able to see, like myself, that a great majority among them favoured a truly Canadian flag to replace the red ensign.

If I may, I will now quote a paragraph of the order in council of September 5, 1945 which authorized the flying of this red ensign as our national flag.

[*Text*]

That, until such time as action is taken by parliament for the formal adoption of a national flag, it is desirable to authorize the flying of the Canadian red ensign on federal government buildings within as well as without Canada, and to remove any doubt as to the propriety of flying the Canadian red ensign wherever place or occasion may make it desirable to fly a distinctive Canadian flag.

[*Translation*]

As you can notice, the terms used:

[Mr. Laniel.]

[*Text*]

That, until such time as action is taken by parliament for the formal adoption of a national flag—

[*Translation*]

That, until such time as action is taken by parliament for the formal adoption of a national flag.

Those words indicate that even at that time consideration was being given to the adoption of a truly distinctive flag and that the red ensign was to be used during the period of transition which would eventually lead us to choose a purely Canadian standard free from any foreign symbol. We have reached that historic moment which is an indication of our political maturity and of our national pride and the attachment we have for our country.

Consequently, I would ask the house to reject this motion which is contrary to the wishes of the majority in Canada and to give our people and our children as soon as possible a truly national identity through the adoption, by parliament, of a flag bearing the colours of Canada, that is three red maple leaves on a white background with a blue stripe at both ends.

[*Text*]

Mr. Barry Mather (New Westminster): Mr. Speaker, speaking briefly to the resolution before us I should like to say, first of all, that the opinions I express are my own. I do not know how it is in other parties in this house on this resolution or on the flag question generally, but in the New Democratic party we have decided to have a free vote—a free vote on this resolution and on the flag issue. Personally I believe this is a fair and very wise decision. A flag—the red ensign, as the resolution before us champions, or any other flag—is something which to me cuts across all party lines and all classes of opinion in the country. For example, there are some in my own party who favour the red ensign, as this resolution asks. There are those who oppose it and favour a distinctive, or a more distinctive, Canadian flag. Then there is a third group in my party, and I believe in some of the other parties in the house as well, which has a different opinion still. That opinion, and I voice it in relation to the resolution before us, as I would on any other flag resolution, is that the present government and the present house have no mandate from the Canadian people to decide the flag issue, either the red ensign or the proposed maple leaf flag.

It is true, Mr. Speaker, that in the last election one of the parties, the Liberal party, proposed the establishment of a distinctive Canadian flag. However I think that most

hon. members would agree with me that this was never an issue in the campaign. It was seen in the Liberal party literature that they proposed a distinctive Canadian flag, but I am sure that many members here will agree with me that in the Liberal campaign literature in the past we have seen such proposals put forward as a medicare plan, which was suggested as early as 1919. I do not think that the majority of Canadians thought that the red ensign as proposed in the resolution before us, or the proposed new flag, would really be an issue in this House of Commons.

Personally, I think that if the present government or the present house, which is still made up of minorities, has any mandate from the people of Canada on the flag issue, that mandate would extend in my mind only to placing before the people of Canada what this resolution calls for, the red ensign, or a more distinctive Canadian flag, and of doing that in the form of a plebiscite, and urging the people of Canada to make their choice as to the emblem they wish.

I think that the introduction of the flag issue at this particular stage of the session, so far from unifying the country may have an adverse or even the opposite effect. In the meantime, while we are debating such resolutions as the one before us on the red ensign or the one on the general flag issue, we are surely taking up time which should be devoted to more pressing economic issues in the country. I also think that if we vote on this resolution tonight or on the more general flag resolution later, whatever settlement we make or whatever vote we come to will be decided on a majority basis. But that decision will not in any way remove the deep emotional feelings which the people of this country have in respect to the red ensign or to the general flag issue. Whether we vote it down or whether we vote in support of the red ensign or the proposed new flag, I do not think that that will be an end to the issue in the country. Here we are, 265 members of parliament out of a population of between 19 and 20 million people, a population which has never been really asked to give its opinion either for the red ensign or for this new flag. We are supposed to make a decision on this matter without damaging the unity of the country. I do not think that that is a practical proposition. I feel that, rather than voting on the resolution before us or on the government's coming resolution, we should consider very carefully whether it would not be better in the long run and in the interest of the country to take this matter out of party politics and to put before the people a plain plebiscite asking them to decide between the red ensign or the maple leaf flag. This is my own view, and it is shared by some members of my party as well perhaps as by some members of other parties. I put it forward sincerely because I feel that the flag issue is one which will be much better handled in the way I suggest.

It is not too late for the present administration to take a second look at putting before us the flag proposal which they have in mind. They have earlier taken second looks at matters such as the sales tax, the budget and the pension plan. There is still time for a full reconsideration of this issue.

In conclusion, I would say that if we made up our mind to remove the issue from the house and from politics and to put it before the people in a plebiscite, we would then get the most democratic expression in the country of the people's will on the flag issue, and it would also enable us to get on with more pressing economic matters. So to that degree I oppose the resolution which is now before us.

[*Translation*]

Mr. Guy Marcoux (Quebec-Montmorency): Mr. Speaker, it is strange to hear an N.D.P. member who must have new principles for a new democracy. When the majority has declared itself in favour of something they do not like, such as nuclear weapons and, in this case, the national flag, they claim that we must set little store by the vote of the people. But if, for various reasons, they feel we must respect the will of the people, they invoke the principles of true democracy and they speak of the operation of our democratic institutions. And they say it is irregular for members of parliament to pass legislation concerning the flag.

As the new distinctive flag project for Canada was contained in the platform of the party now in office, of the government party, I believe the members are entitled to represent the people who elected them and there is no question of holding a referendum or a plebiscite thereafter. The government takes a position, it makes a decision, and if democracy does not like this government's decision, the government may be overthrown in the next election.

But as this article was included in the platform of the Liberal party, I see absolutely no reason for holding a referendum or a plebiscite. Besides, it would take about 97 years thereafter for us to get a really distinctive flag.

And I come back to the motion before us. When it is said that the red ensign is a distinctive flag for Canada, I admit this is right, but I also believe it must be admitted the Canadian people today want an entirely and decidedly distinctive flag, and it is why the red ensign should not be recognized as a completely and absolutely distinctive flag.

The hon. member for Elgin (Mr. McBain) said that we celebrated the advent of confederation in 1867 with the red ensign and that we should also celebrate the centennial under the red ensign. I regret I have to differ with him, but surely the Canadian flag, which was accepted and adopted by order in council in 1945, did not exist in 1867 as the distinctive flag of Canada. Consequently, I am not ready to accept his argument on this point.

Mr. Speaker, I have before me Mr. Ollivier's book entitled British North America Acts and Selected Statutes, in which I find the Statute of Westminster, which was assented to on December 11, 1931. In the preamble, among other things, we read:

> And whereas it is meet and proper to set out by way of preamble to this Act that, inasmuch as the crown is the symbol of the free association of the members of the British Commonwealth of Nations, and as they are united by a common allegiance to the Crown, it would be in accord...

Therefore, the Statute of Westminster, without referring to any flag whatever, neither the union jack nor any other, states in its preamble that we form part of the commonwealth of nations.

This is pointed out in the Statute of Westminster, in the preamble that was accepted by all the commonwealth countries at that time. Now I should like to quote section 11 of the Statute of Westminster. Here it is:

> Notwithstanding anything in the Interpretation Act, 1889, the expression "Colony" shall not, in any Act of the Parliament of the United Kingdom passed after the commencement of this Act, include a Dominion or any Province or State forming part of a Dominion.

Consequently, Mr. Speaker, the Statute of Westminster, which was accepted not only by the provinces of the dominion but by the parliament of the United Kingdom as well, clearly provided that thereafter Canada and the other commonwealth countries were no longer colonies.

I believe it is reasonable that the people of a colony be keen on showing, some way or other, their dependence on the mother country. But when the colony no longer exists, when it has clearly and definitely achieved independence, I do not think it is an indication of pride to be bent on showing in a flag any sign of dependence. I think that what proved to be an obstacle for some time to the adoption of a really distinctive flag, is the fact that my fellow countrymen speaking another language would have liked it very much if French Canadians had insisted on some little sign showing their feelings towards France. Well, we do not want any. Not because we are prejudiced against France or our feelings for France have diminished in any way, but because we believe that Canada is a full-grown country and that there is no reason why we should insist on some symbol of France on our flag.

And when we think we are practising Canadian nationalism, we think that we might resemble the Canadians who wanted our country to identify itself as a separate entity of North America, and not as an appendage or an appendix to a European country.

I happen to have here the *House of Commons Debates* for 1935, which I took for another reason, and where I read a speech by Henri Bourassa, who was one of the promoters of Canadian nationalism, not French Canadian, narrow or provincial, but a sound nationalism, a nationalism which makes us, French Canadians, think that it is a tragedy, like a new Dunkirk, to see a company like the Canadian Oil, for instance, sold to American interests, or John Labatt, sold to another American company; it grieves us, French Canadians, not because it is English capital that goes to the United States, but because it is Canadian capital which leaves us and goes to a foreign country.

That is why, Mr. Speaker, in the matter of a really distinctive flag, I do not think that we would be justified in accepting the red ensign. I agree that it was accepted in 1945, as I said a while ago, but we must not forget that in 1947 the Canadian parliament decided that Canadians could now avail themselves of the Canadian citizenship. We are now Canadian citizens, we are no longer British subjects, and I think that we should be proud to be Canadian citizens. If one must be proud to be a Canadian citizen, I feel one must also be proud to have a flag which clearly indicates that we are Canadian citizens and not British subjects or even French subjects.

The red ensign was used by our merchant navy; before, it had been used by the British merchant navy, and we added to it the Canadian coat of arms. Without discrediting the merchant navy which is practically non-existent today, the Canadian merchant navy has practically disappeared—even if it were still in existence, I feel that it would not be normal to accept an emblem belonging to it, that is belonging to a small group to give it to a much more important group such as the whole of Canada. It would not be normal, for instance, to take the flag of a province and have it adopted by the whole of Canada; it would neither be logical nor normal.

For the same reasons, I do not think that we should accept the flag of the merchant navy, even with the coat of arms of Canada added to it.

Mr. Speaker, I shall not go further. I speak for myself but I think I represent at least part of the members of my party. We also decided to have a free vote, not a vote

according to our conscience, because we always vote according to our conscience, but a free vote enabling the House of Commons to take an appropriate decision. That is not a decision to be taken through a plebiscite or some way other than the one brought forward.

Since the Prime Minister's motion is not being discussed, I shall not discuss it either. It may be that some hon. members will wish to discuss it to make some political capital, but personally, I am discussing the motion before the house and I say that I am against it, because I am too proud of being a Canadian, and a Canadian in North America.

Mr. Gilles Grégoire (Lapointe): Mr. Speaker, it can be realized that Canada is becoming a flag country. Today, we are asked to accept the red ensign. In some other instance, we are asked to accept—and we are prepared to do it—a flag with three maple leaves. Some people would also like us to accept the union jack.

The premier of Newfoundland stated that, as far as he was concerned, he favoured the union jack. I think that the premier of Manitoba also stated that the union jack would fly over the buildings in the province. The premier of Ontario suggested that his province should choose a flag.

We, in the province of Quebec, have the fleur-de-lis, which was adopted several years ago, and I even believe it was the first flag formally adopted in Canada. Our country is somewhat becoming a flag country. We are going to have a whole series of them. We wanted to have one for a long time, and a decision on the flag took very long. Now that we are about to get one, we may have several of them, a whole series. Some would like to prove in this way that we belong to the commonwealth and that we owe allegiance to the Queen.

Mr. Speaker, if the red ensign's purpose is to show that we form part of the British commonwealth, I think that the facts are being misrepresented, because we do not belong to the British commonwealth. We belong a lot more to the United States and to American interests than we could ever belong to the commonwealth or to the Queen of England.

We are dominated by American rather than English capital.

Therefore, under those circumstances, we might as well borrow part of the American flag—

Mr. Douglas Fisher (Port Arthur): You mean stars and stripes?

Mr. Grégoire: No. I do not think my words mean that I want the stars and stripes of the American flag on our distinctive national flag, but rather that I want it to have a really distinctive meaning. If we want to choose the union jack or the red ensign to show that we belong to the British commonwealth, I say then that we belong much more to the American capitalists than to the English commonwealth.

[*Text*]

Mr. Fisher: Put it in the other corner.

Mr. Grégoire: We might have four or five on the same flag, if it is agreeable to the hon. member for Port Arthur.

[*Translation*]

Mr. Speaker, when anybody talks about giving us a flag, it is always in order to promote Canadian unity, to give us a symbol to promote the development of Canadian unity.

On this matter, I remember quite well having read one day in the English edition of *Maclean's* magazine—I think it was in January or February of this year, when this question of a national flag was raised—something like this:

> When racial or regional causes for differences of opinion spring up between its citizens, Canada does not have a strong enough Canadian nationalism to maintain unity among all those groups.

That is true. We had absolutely nothing typically Canadian, no symbol, nothing in our economy of sociology that was truly Canadian. Everything was borrowed from outside. When rather serious conflicts of opinion arise, there is nothing to maintain unity among Canadians.

[*Text*]

Mr. Bigg: Don't push me too far.

[*Translation*]

Mr. Grégoire: Mr. Speaker, I do not think that anyone who wishes this country to be truly independent, who wishes it to have full control over its affairs, is a traitor but, I rather believe that those who take symbols from foreign countries are betraying their country, because they are in favour of foreign symbols and they try to impose them on us. We recognize that the real traitors are not among those who want first of all to be Canadians, but among those who want first of all to be English, because to be Canadians first of all means to develop for our own good and not for the benefit of foreign interests.

It is true that Canadian unity, when threatened, has no symbol, no common activities which could preserve it. The flag could have been one of those means, not the most important, but one of those means—

[*Text*]

Mr. Bigg: Don't push me too far.

Mr. Grégoire: I do not understand what you are saying. You are too far from here. If you have a question to ask, just ask it.

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

Mr. Grégoire: Yes.

Mr. Bigg: I use that term lightly. Does he know the meaning of the word "treason"?

Mr. Grégoire: Yes, I know the meaning of the word "treason".

Mr. Bigg: May I ask the hon. member another question?

Mr. Grégoire: If it is a stupid one, no.

[*Translation*]

Mr. Bigg: Mr. Speaker, this is the first time that I have the privilege to speak in the fine French language, and I wish that you show me the same consideration as I show you.

Here, and here only, can we enjoy the mutual freedom for which we have been praying for more than 200 years.

[*Text*]

Pardon my French.

[*Translation*]

Mr. Grégoire: Mr. Speaker, I congratulate the hon. member for Athabasca (Mr. Bigg). He did not have to apologize for his French which, in my opinion, was very good indeed. I shall now continue my remarks.

It is possible to realize national unity but only if we think Canadian first of all, and not otherwise.

It seems to me as if I will have the opportunity to kill this motion tonight. This is a pleasure and a privilege for me. I will do so with pride in view of the fact that this is the first time in the last two years that such an opportunity is given me.

Mr. L. J. Pigeon (Joliette-L'Assomption-Montcalm): There are only two minutes left.

Mr. Grégoire: Perhaps the hon. member for Joliette-L'Assomption-Montcalm would like to do it himself, since he spoke very often of the national flag, but I shall keep for myself the pleasure and honour of talking out the motion under consideration. I prefer keeping for myself such an honour and privilege.

Mr. Speaker, the purpose of having a flag is to encourage national pride. I am proud of the country in which I live, but our pride must not limit itself to a flag; it must be accompanied by practical and concrete realizations.

If the Canadian people are to be proud of their flag, they must be able to lead a decent life in their own country.

If it is intended to make our fellow Canadians proud of the flag they will choose, we must also enable them to make a living in this country, to have access to the resources of their country, to take part in the development of their country and not leave them in poverty in a land of plenty such as Canada.

The flag of a country has a significance. It may show that it feels good to live in a country. But we may wonder whether, for hundreds of thousands of unemployed, for hundreds of thousands of people living on social assistance in our country, it feels so good to live under the flag of our country, that is the one they are given, if they are not allowed to live as human beings in a country as rich as ours.

In all this, when we discuss a flag project, let us ask ourselves if it will make our Canadian citizens proud of their country. They will not be proud of their country, only because of a flag flying over the Canadian parliament and over public buildings in the country, but they will be when the parliament of Canada gives this country concrete proof that it is good to live in a country such as ours and under a flag like the one we are prepared to adopt.

Besides, on the matter of a flag, we are unmindful of the fact that the government has introduced a resolution dealing with two flags, that we are asked to vote on two flags at the same time. I think it is neither normal nor proper. It is a trick to compel the members of the House of Commons to vote on two flags at the same time since they might reject one while supporting the other.

Mr. Pigeon: That is stupid.

Mr. Grégoire: Instead of that, one could ask that the red ensign be rejected—not that we have anything against it—because we do not want it as a Canadian flag. But we should be asked to vote on a single distinctive national flag in one resolution only.

[*Text*]

Mr. Fisher: Why don't you let us have a vote on it?

The Acting Speaker (Mr. Batten): Order. The hour for the consideration of private members' business has expired.

BUSINESS OF THE HOUSE

The Acting Speaker (Mr. Batten): It being six o'clock it is my duty, pursuant to provisional standing order 39A, to inform the house that the questions to be raised at ten o'clock p.m. this day are as follows:

The hon. member for Joliette-L'Assomption-Montcalm (Mr. Pigeon), one distinctive national flag; the hon. member for Port

Arthur (Mr. Fisher), Canadian Broadcasting Corporation, withdrawal of film respecting Prime Minister; the hon. member for Yukon (Mr. Nielsen), Alaska highway, inquiry as to negotiations with the United States.

Miss Jewett: A tremendous program.

Mr. Fisher: Thank you.

The Acting Speaker (Mr. Batten): As the house will be in committee at eight o'clock, will the house agree to resume now the business interrupted at five o'clock?

Some hon. Members: Agreed.

NATIONAL HOUSING ACT

AMENDMENT RESPECTING RENEWAL PROGRAMS, PUBLIC HOUSING PROJECTS, ETC.

The house resumed consideration in committee of the following resolution—Mr. Nicholson—Mr. Batten in the chair:

That it is expedient to introduce a measure to amend the National Housing Act, 1954,

(a) to provide further assistance to provinces and municipalities carrying out urban renewal programs by authorizing Central Mortgage and Housing Corporation (hereinafter referred to as "the corporation") to make contributions and loans to provinces or municipalities to assist them in meeting the costs of such programs, and for this purpose to provide for the payment out of the consolidated revenue fund of amounts not exceeding in the aggregate one hundred million dollars;

(b) to authorize the corporation to make loans and to insure loans made by approved lenders to owners of existing houses in areas included in urban renewal programs;

(c) to authorize the corporation to make loans and contributions to provincially or municipally owned housing agencies for constructing or acquiring public housing projects and operating such projects, and to authorize the corporation to contribute a portion of the operating losses on any such projects that provide subsidized housing accommodation to individuals or families of low income;

(d) to permit federal-provincial public housing projects to include existing housing and hostel or dormitory type housing accommodation;

(e) to authorize the corporation to make loans to non-profit organizations to assist in the acquisition or construction of housing accommodation for individuals or families of low income;

(f) to authorize the corporation to make loans to co-operative associations and charitable corporations to assist in the construction of accommodation for university students and their families and to increase from one hundred million dollars to one hundred and fifty million dollars the maximum amount that may be paid out of the consolidated revenue fund for this purpose;

(g) to authorize the corporation to make loans to provinces to assist in the construction or expansion of sewage treatment projects and to authorize the corporation to forgive repayment of twenty five per cent of the principal and interest on any loans made to provinces or municipalities for this purpose in respect of work completed by March 31, 1967;

(h) to increase from two billion dollars to two and one half billion dollars the maximum charge on the consolidated revenue fund for direct loans by the corporation;

(i) to provide for the establishment of a special account in the consolidated revenue fund out of which amounts not exceeding in the aggregate one hundred million dollars may be advanced to the corporation for the making of loans to the holders of mortgages issued in respect of loans insured under the act and for the purchase by the corporation of mortgages issued to secure such loans;

(j) to increase the loan ratio for insured loans made to home owners and builders; and

(k) to provide further for certain changes in the administration of the act.

At six o'clock the committee took recess.

AFTER RECESS

The committee resumed at 8 p.m.

Mr. Winch: Mr. Chairman, at the time of the five o'clock adjournment I had been paying my respects to the late Jack Garland and the late Stewart Bates. I can say, without any hesitation at all, that having listened for many years to the late Jack Garland, when he sat on this side of the house discussing his particular study and project relating to housing, we all felt assured that from his position on the ministerial benches there would be great advances made in the National Housing Act, there would be progressive measures introduced, and that there would be a new impetus and drive given to the organization which we know as Central Mortgage and Housing Corporation. It is to be regretted that he is not here to give us of his vision of a new and expanded act, and to give of his drive to central mortgage and housing.

I firmly believe that there are needs for vital changes in the National Housing Act, that there is a great need for a new drive in central mortgage and housing. In speaking on this resolution I want first to make it clear that the major views of our party in this house have already been expressed by the hon. member for Greenwood. However there are one or two matters upon which I would like to speak briefly this evening.

I have always been a supporter of the underlying principles that motivated the organization of central mortgage and housing. I have always been a strong supporter of the National Housing Act, and I will continue to be a supporter of both the act and the organization, but I do feel the time has come for us to take a new look at the organization itself.

I believe that it is becoming somewhat moribund; that it is being engulfed in too much red tape; that it is wallowing in a pit of detail; that its vision does not extend

very much beyond its organizational nose; that architecturally it looks along straight lines and some of its construction, especially in apartments, reminds me of upturned wooden crates with too much emphasis on straight line architectural theories, instead of the modern curve and crescent.

I feel, sir, that it is wallowing so much in detail, red tape, and lack of vision, that progress that could have been made during the past year or 18 months has not been made, and no commencement is even envisaged in the near future on projects which should now be nearing completion.

I was most interested in the remarks of the minister this afternoon when he was speaking of the responsibility of municipalities, of the need for clearing slums and for new development. When he said that it gave me the perfect example of what I have in mind, when I was reminded of his own constituency of Vancouver Centre. With all due honour to the wonderful people who reside in the four to six blocks east of Main street —the minister I know will agree—though a certain start was made in that area, there is a great deal to be done and if there ever was an area where the bulldozer should go in—and should have gone in years ago—it is right in that area at the eastern end of the minister's constituency.

I am convinced from my own knowledge, and I feel certain the minister must feel the same way, that a start could have been made there a year or 18 months ago. He knows, as I know, that the residents in that area were prepared to do something. They wanted to co-operate with the municipality, the province and central mortgage and housing. At their own expense they hired an architect and drafted plans. They submitted their plans to the city, to the province and to central mortgage and housing, yet month after month went by and no start was made, although the money was there as well as the plans.

I personally made a visit down here to Ottawa to see central mortgage and housing about this development, and I can only say that it was the red tape, the detail, the lack of co-operation here in Ottawa that have caused the stalemate on that project—and unnecessarily from my point of view, and I think from the point of view of the residents themselves. Now we have a proposition that in future, perhaps, they can go ahead with this plan, which would have been of terrific benefit to Vancouver because it would have meant a development primarily of a two-section block area, but eventually of a four-section block area of modern construction. The oriental touch however, would be kept side by side with the business Chinatown of Vancouver, so as to provide new homes for the thousands of our Chinese Canadians who live in the area and a tourist attraction unparalleled in Canada, with the second largest Chinatown on the North American continent. Yet this plan has been held up, for no reason, as far as I have been able to ascertain from Central Mortgage and Housing Corporation, though the people are ready not only with the plans but with the money from trust funds.

Now we hear of a redevelopment plan for the Chinatown in this area and I am most pleased to have received a letter from Mr. Graham who is director of planning for the city of Vancouver under date of April 10. He says:

> The final scheme produced was a compromise from the original submission by the Vancouver Chinatown development association. It still had the same unique oriental environment but eliminated technical problems which violated many principles laid down by city council for all development.
>
> You may not be aware, but the V.C.D.A. group will be given an apportunity to participate in town house development elsewhere in the redevelopment area and there is no reason why this should not have the same oriental aspect as their original scheme.

In view of the fact that we now have a submission from the director of planning of the Vancouver planning department which is going to meet the desires of the Canadian Chinese in this area of Vancouver, a plan which, I understand, has met with the approval of the Vancouver city council, I certainly hope there is to be no further delay on the part of Central Mortgage and Housing Corporation, and I sincerely hope this will tie in with the simultaneous development of the Chinese business district. I feel the minister has the same sense of pride as I have in this wonderful group of Chinese Canadians which is shared between his constituency and mine. I know he will be glad to see that these citizens, who were prepared to move two years ago with regard to housing development, are issuing a challenge to their own people to move ahead with the business development. I was interested to read in the Chinatown *News* of May 18 an editorial on the front page which is a challenge to its readers and an example to people elsewhere who live under conditions such as those under which these people have, unfortunately, been living for so many years. It says:

> Now that the Vancouver city planning department has come up with concrete proposals to rejuvenate Chinatown, will our businessmen and property owners seize this opportunity to embark on a major rebuilding scheme?
>
> Among the community minded citizens we have talked to, many are genuinely alarmed over the steady decline of Pender St. as evidenced by the growing number of restaurants forced to curtail their hours of operation or go out of business altogether. What is the answer?

We need more tourists. One way to attract them is keep this area growing. In other words, revitalize Chinatown. This can only be achieved by a major renovating or rebuilding job.

The suggestion might sound drastic, but a start will have to be made somewhere. The time is here and now.

The writer points out that they have the architects and are familiar with what is being done in San Francisco and Honolulu, along these lines. So they are prepared to move, and I, for my part, am requesting that we see a little more life and activity—a little more co-operation from Central Mortgage and Housing Corporation in moving along the lines proposed by the people in this area, so that something may be done not only to rebuild the area and construct new homes there but to bring into being a new business centre as well.

Speaking of construction, I recall the remarks of the minister this afternoon to the effect that municipal control is necessary to stop structural deterioration. I want to express the hope that Central Mortgage and Housing Corporation will see to it that new construction is of such a nature that there will not be deterioration. I think the specifications which are now followed by that corporation are an absolute disgrace. I worked for the construction industry for many years, and one of my major tasks was the reading of specifications, regulations and blueprints. For the life of me I cannot figure out how contractors who work with Central Mortgage and Housing Corporation, or how inspectors of that corporation can make head or tail of the regulations and specifications in that little book which contractors are supposed to follow and which the inspectors are supposed to enforce. It is bad enough reading the specifications, but when one has to read amendments to the specifications and then read amendments to the amendments to the amendments of the specifications, heaven only knows how one is supposed to build a house. I do not know who draws up these regulations and I cannot for the life of me figure out who approves them, because they are a disgrace to the whole construction industry.

I speak as one who has worked most of his life in that industry. I do not know how some of these homes stand up. It is amazing to me why the first floor does not collapse, having regard to the new regulations as to the spacing and the size of joists. If it were not for the spreaders, I think they would collapse. I have been over many of these homes. I have read through the specifications and regulations time after time and they certainly lay down the poorest building code I have come across in my whole life. My own home, built 54 years ago, was better constructed than homes constructed today under these regulations. So let us not tear down slums for the purpose of putting up homes which will be slums themselves in a few years. I ask most sincerely that not only shall we have vision and action with regard to new home and apartment construction but that our regulations shall make sure they are modern and well built. That is the responsibility of Central Mortgage and Housing Corporation.

I should like to see more initiative shown by the Central Mortgage and Housing Corporation under the National Housing Act in the construction of homes and apartments for the aged in Canada. In the past few years big strides have been taken in this field, but they still do not deal adequately with this problem. One can visit these homes and apartments for the aged and find that for each one there is a waiting list hundreds long. Some have been waiting, not months but years, to get the comfort of a home or apartment in their declining days, at a rate they can afford to pay, so as to live in decency as the pioneers of this country. I feel strongly on this matter as one closely associated with my late father who initiated the first senior citizens housing project in Canada. When we speak of subsidized housing and low rental housing I fear we are not giving enough thought to the needs of the senior citizens of this country and I hope the vision and the dream which I know was in the mind of the late Jack Garland will not be allowed to disappear. I trust that, to revere his memory the government will bring in, if they have not already the authority, a measure to give them the power to provide an impetus to the construction of homes for our senior citizens.

That was all I wanted to add to the very wonderful address given by the hon. member for Greenwood this afternoon. I want to conclude by saying that wishful thinking is not enough; generalities are not enough; good intentions are not enough; legislation which is on the statute books is not enough. We require a vital, vigorous and farsighted central mortgage and housing administration. I hope we will be getting it in the future, and if we do not see signs of real activity in the immediate future perhaps we will have to place a bomb under them; and the best bomb I can think of would be either a special committee or a committee of this house composed of those who have a vital interest in housing, and those who know and understand construction. Then we could let them go at both the act and Central Mortgage and Housing Corporation. I say this, Mr. Chairman, because security does not mean very much to the people of this country unless they have comfortable homes and comfortable apartments in which to live, at prices they can afford to pay.

[*Translation*]

Mr. Caouette: Mr. Chairman, this resolution deals with certain amendments the government wants to make to the National Housing Act under which the Central Mortgage and Housing Corporation was set up in 1954.

We feel that those amendments are not only necessary but urgent and that the government could have extended the list of paragraphs which appear in the resolution under consideration.

Mr. Chairman, when C.M.H.C. was established in 1957, it was to benefit the workers and small farmers, in other words it was to help the small man build himself a home.

C.M.H.C. has helped in the construction of housing centres in several parts of Canada, in Montreal, Quebec city, Toronto, Ottawa, Hull, in the larger cities and even in certain small communities, but with quite a bit of trouble.

It does not seem to be interested, for instance, in going too far in the Lake St. John and Abitibi areas, or in northern Ontario. Some work was done a few years ago in the Elliot Lake area, which is represented by the Prime Minister of Canada (Mr. Pearson). We have seen the results of these buildings and housing centres in Elliot Lake, as we will soon see them in Bancroft. We are witnessing the casting aside of small properties which were valued at $12,000, $15,000 or $18,000 at the time they were built. If we go to Elliot Lake today, we see these nice little houses—gems of houses indeed—with the windows boarded up. People are not living in them because they had to leave in order to earn their living elsewhere since Elliot Lake was closing its mines.

In other cities, in Montreal for instance, thousands of houses were built without proper consideration. If you go to St. Vincent de Paul today you will see hundreds of empty houses. Why? Not because the plant workers do not want to live in them but because payments are too high for an ordinary family. When a worker can pay $50 or $60 a month for rent and the houses built under C.M.H.C. come to $125, $135 or $150 a month, it is not surprising then to see a great number of empty houses.

The amendments to the 1954 act do not seem to do much to help the average family, with an average income, who cannot inhabit one of those houses.

Paragraph (a) concerns mainly the provinces and municipalities. The resolution provides:

> That it is expedient...
>
> (a) to provide further assistance to provinces and municipalities carrying out urban renewal programs by authorizing Central Mortgage and Housing Corporation (hereinafter referred to as "the corporation") to make contributions and loans to provinces or municipalities to assist them in meeting the costs of such programs, and for the purpose to provide for the payment out of the consolidated revenue fund of amounts not exceeding in the aggregate one hundred million dollars;

What can the Central Mortgage and Housing Corporation do with $100 million for all of Canada at this time, when the municipalities are contending with huge debts? Will this help the municipalities to pay their debts or, at least, to pay the interest on their debt which now takes up 40 and even 60 per cent of their annual budget?

Does the Central Mortgage and Housing Corporation want to help the municipalities by making them sink deeper and deeper into a debt which they are unable to repay by demanding exorbitant carrying charges or interests?

Mr. Chairman, this may be a temporary help for the municipality, but in future we shall again be faced with the same situation as now; there will be absolutely no change. This may, for the time being, help give work to the unemployed in our municipalities. That is, no doubt, the minister's aim when he puts his name to such a resolution: to help relieve unemployment in this country and allay distress, by making loans to the municipalities for periods of 20, 25 and 30 years.

Suppose a municipality borrows $550,000 for 25 years at 5¾ or 6 per cent. In 25 years, that municipality will have to pay back almost $3.5 million for a $550,000 loan made this year, that is, it will have to pay three times the amount in 25 years.

Of course, 25 years from now it is likely that most members of parliament will no longer be sitting in this house because they will have disappeared, but our children, who will then pay the capital and interest, will probably wonder, and rightly so, if their parents were intelligent or if they suffered from a terrible lack of grey matter between their ears? If we are still here 25 years from now, we will probably hear such remarks. Why? Because we continue with the same system.

The government probably thinks that it is helping municipalities. If it sincerely wants to help municipalities, there is nothing at all, no federal legislation which prevents the minister from acting along those lines. By using the Central Mortgage and Housing Corporation, it could supply funds created by the Bank of Canada without interest for

municipalities, so that when we build a sidewalk, we will not have to pay for two sidewalks, one for the finance company and one for the people who use it.

When we build a road, when we pave a city street, or when we improve municipal services, we should not have to pay twice the price of those services, once for the finance company and once for the users of those services.

This resolution will get us nowhere. I understand that the whole financial or monetary system is faced with concern and uncertainty. We must pass and approve such a resolution so that the bill can be introduced as soon as possible.

As I said, the present problem will not be solved for the provinces or the municipalities, regardless of the intention of this resolution presented to us today. In that resolution, it is also proposed, in paragraph (b):

To authorize the corporation to make loans and to ensure loans made by approved lenders to owners of existing houses in areas included in urban renewal programs.

There again, it is the same thing. The act will be extended so that people who own houses which have been occupied can sell them with the financing of Central Mortgage and Housing Corporation or of insurance companies to be guaranteed by C.M.H.C., which is a crown corporation.

In paragraph (c):

To authorize the corporation to make loans and contributions to provincially or municipally owned housing agencies...

To assist individuals or families of low income.

What does that mean? As I said a while ago, in 1954, that is exactly ten years ago, it was said and repeated that low rent and low cost houses would be built. Today, we realize that the rent of those houses is $80, $85 or $90. When the instalment payable to the corporation or to the insurance company does not go up, municipal taxes double, school taxes triple or quadruple as we have seen in so many places in the province of Quebec. Then, everything is added up to make a monthly assessment which increases the cost of rents every six months, and, after six, eight or 15 years of payments on a house, we now see people who bought a small home in 1954 unable to face their liabilities any longer, just because municipal taxes have doubled and school taxes trebled or gone up five times their former amount.

Those people are today destitute, after having for six, eight and even 15 years, made payments or paid rent with regard to those small houses, believing that they would one day be the owners of a modest home. After ten years of work, the man who was 30 when he bought his home, is now 40 years old and, if he happened to lose his job, or were to experience financial stress, after having invested all his life's work and all his savings in his property to settle his wife and children in their own home, he would be without shelter.

Now, in 1964, the government introduces some amendments to the act to help those people remain in their own home, and others in the same circumstances or conditions. But will that fill the purse of the family head who is 40 or 45, at this time, and has trouble finding employment? That is the kind of security all those bills or amendments are bringing to the Canadian workers, to human beings in Canada.

Paragraph (d) is to help housing projects to include hotels or boarding houses or homes for older citizens and others.

In paragraph (e), it is proposed to authorize the corporation to make once more loans to families of low income. It is about what we find in paragraph (c), or about the same aim.

In paragraph (g) the resolution proposes:

to authorize the corporation to make loans to provinces to assist in the construction or expansion of sewage treatment projects and to authorize the corporation to forgive repayment of 25 per cent of the principal and interest—

Here, I believe the Central Mortgage and Housing Corporation, as well as the government, could include in paragraph (g) the following: "to assist also in the expansion of hospitals not only in this province but also in the whole of Canada, and especially as concerns the province of Quebec". For instance, to provide the provinces with the necessary funds to expand hospitals; indeed, there is a need for additional hospital beds throughout the province of Quebec. Why is there a shortage of beds? Why is it not possible to expand those hospitals? It is always for the same reason: the provincial government has no money, it is like the United Nations, it cannot even meet its commitments.

The provincial government is grappling with an exceedingly urgent problem in the hospital field. Why not allow the Central Mortgage and Housing Corporation to provide the provinces with funds at a nominal interest rate, using funds created by the Bank of Canada? Because here, again, if we have in Canada the physical means, if we have the minds, the brainpower to build something, why do the government and the ministers not order the Bank of Canada to make financially possible what the Canadian nation can do and is able to realize materially in Canada for the general welfare of the population?

In paragraph (h), the resolution proposes:

to increase from two billion dollars to two and one half billion dollars the maximum charge on the consolidated revenue fund for direct loans by the corporation;

From $2 billion to $2.5 billion. Another financial game. Physical possibilities are not taken into account. The needs which actually exist in Canada are not considered. We lose a great deal of time here, in this house, on all sorts of questions, without attempting to find a solution to the main problem, which is that of finance in Canada. This is what ails everybody, including the government.

I am quite convinced that the government would be willing, if it had the financial possibilities, to help the people as a whole, the unemployed, the mothers whose families are in need, as well as those who are hungry and thirsty for justice in Canada. But the government is not taking the means to serve the purpose for which economic policies are set up, that is the human being.

In paragraph (1):

to provide for the establishment of a special account in the consolidated revenue fund out of which amounts not exceeding in the aggregate one hundred million dollars—

One hundred million dollars. Money again. Always money, from start to finish. That is the question. But where will C.M.H.C. obtain those funds? It is being said and suggested most clearly: C.M.H.C. will underwrite finance companies, insurance companies, lenders who may or may not be recognized today but will be tomorrow; it will underwrite them in respect of the loans granted.

Once again it is a poultice on a wooden leg. It will not cure the ill. It will only spread it. It will only entrench it and confirm it for another five years, because in five years the government—it may be that the present government will no longer be there but will have been replaced by another which will have to make new amendments to those amendments submitted to us in June 1964, because those amendments will not solve the problem.

I see that my good friends opposite are shaking their heads. They will have to open their wallets five years from now and they will find that I was right about what I am saying tonight in this connection. They are mistaken and they know it.

Mr. Côté (Longueuil): We will still be here in five years.

Mr. Caouette: Mr. Chairman, I would ask the hon. member opposite to repeat what he just said.

Mr. Côté (Longueuil): We will still be here in five years.

[Mr. Caouette.]

Mr. Caouette: Do not deceive yourself, you will no longer be here in five years, not with that.

Mr. Chairman, this legislation will not solve the problem. The government merely goes around the difficulty and covers it with chocolate as one does with a pill. One day, the people will come to realize the bitterness of a financial system which is not adapted to the true possibilities of our country.

Let the Central Mortgage and Housing Corporation have the power, indeed let it be ordered to use without interest the money created by the Bank of Canada, and then not only C.M.H.C., small house owners, industrialists, municipalities or the provinces, but all the people will get a dollar's worth for every dollar borrowed from the corporation. That is what we want. We advocate a happy equilibrium between the monetary system and our physical potential I see that the minister is looking at me. As long as we do not adopt such a monetary policy to make financially possible in Canada what is physically desirable, we will be running around in a circle and we will be losing our time as the minister is bound to find out within a few years.

[*Text*]

Mr. Orlikow: Mr. Chairman, we heard the minister's opening speech explaining the policy of the government, or at least what seemed to be the policy of the government. I think it is a sad commentary on the attitude in our country today that when we are discussing what I believe could be one of the most important programs yet put forward by this government or by any government, if this government means business as the minister seemed to indicate, we have had in the press gallery one, and at the moment, two reporters furnishing the news to the public. This afternoon at five o'clock when we were discussing a resolution having to do with the flag—and I am not suggesting for a moment that the flag is not an important issue—there were a dozen or more reporters in the press gallery.

I am not being too critical of the press, Mr. Chairman, because the press is a rather good mirror of public opinion. Unfortunately the public are not very interested in this subject. After all, we have bought the image which has been sold to us by the image makers, the public relations people, and we like to think we live in an affluent society in this country. We do, in so far as housing is concerned, if we happen to be fortunate enough to be earning $6,000 a year or up. If you can afford to pay $15,000 for a house, if you can afford to pay $100 or $150 a month rent for an apartment, you have no difficulty.

There are hundreds of apartments in Ottawa, Montreal, Toronto, Winnipeg or Vancouver which can be rented tonight if you can pay that amount of money.

However, Mr. Chairman, if you are unfortunate enough to be earning $50 per week or if you are unfortunate enough to have four or five children and you have to live in one of the many slums or semi-slums which are a blight on the face of every city in this country, then of course you are out of luck. The majority of people and, I am afraid the majority of the members of this parliament, are not very interested. We have done an excellent job of building hundreds of thousands of homes in Canada since the end of world war II. But what have we built for the people who really need assistance? What have we built in the way of subsidized, low rental housing units? We have built less than 10,000.

I should like to think the minister's speech indicated a new policy and that the resolution outlined a real program that would be pushed ahead. We have lived with this kind of policy ever since world war II. The act, as it has been up until now, has not been a bad one. If you compare it with the legislation in European countries or in the United States, it is not much worse. Yet, these other countries have been able to build houses for the people who really need them, while we have done virtually nothing. One of the reasons we have done virtually nothing, Mr. Chairman, is that the federal government has merely prepared an act and said to the provinces or municipalities, "Yes, we are prepared to help; yes, the money is there". The federal government has been prepared to pay a substantial part of the subsidies required for financing housing units for people who cannot afford to pay an economic rent themselves. Having done that, the federal government has forgotten all about it.

What we will not face up to is the fact that in most provinces the provincial governments have shown very little interest. In most cities, I think I could say in all cities, the city councils are to a large extent made up of men who come from the professions of law, insurance, or real estate. I speak with some knowledge on this matter, having served on the Winnipeg city council and having attended a number of conferences of mayors and municipalities. These members represent on the city council those people who have already purchased their own houses and who are already living quite comfortably. So we tend to ignore the people who just cannot afford to pay for decent accommodation. It is easy to drive away from this building, to drive down Carling avenue and quickly get to the west end where the new housing developments are located. We ignore the fact that two blocks off Wellington one can see houses—I should not call them houses—one can find accommodations which are a disgrace in a country that has the wealth of Canada.

The minister gave some statistical information in his speech the other day. I should like to enlarge on some of the figures which he used. I have taken these illustrations from the 1961 census figures. Of the 4.5 million homes that we have in Canada, over 400,000 have only cold water facilities; over 200,000 of these are in the city. Almost 400,000 homes have no installed bath or shower, and 168,000 of these are in urban areas. This is in the year 1964, in a country that has the wealth of Canada, a country which has all the resources needed to provide homes for the people. Of the 4.5 million homes, over 200,000 in urban areas have shared toilet facilities which are shared by two or more households. Of the 4.5 million houses over a million and a half were built before 1920 and therefore, in most cases, need major repairs. Of the 3¼ million urban homes, over 900,000 were built before 1920.

In my own province, almost one third of the urban homes were built before 1920. We do not have the brick houses that you have in eastern Canada, so many of these homes need major repairs. Of the 4.5 million homes in Canada, only three million are heated by a furnace while a million and a half are heated by stoves, space heaters or less. Of the 3¼ million homes in urban areas, over 750,000 were heated by a stove, a space heater or worse. If you look at the refrigeration facilities, you see the same situation. Almost 400,000 homes have no refrigeration facilities at all. Of the 3¼ million urban homes, over 100,000 have no refrigeration facilities.

Now, Mr. Chairman, it is easy to get lost in statistics. When one talks about a million homes, he tends to forget the individual case. We have heard from the member for Greenwood, from the member for Vancouver East and from the minister about some of the conditions in which some of the people in this country live.

My own city of Winnipeg is far from being the worst, but I wish that all members of parliament could have a look at some of the conditions which we permit to exist at this time. I know the minister has had the chance to do so.

A couple of years ago a Winnipeg newspaper carried an article dealing with the conditions. They listed the fact that in one home, of many which they visited, the only way in which the rats could be kept out was by boarding up the holes through which they

came. They pointed out that children had been seen playing in houses condemned a year or more ago by the city but which had not been pulled down and had been seen coming out of these condemned houses swinging rats by the tail.

A family of seven lived in a house 12 feet wide which had only two tiny bedrooms. The father, mother and one baby slept in one bedroom and the other four children slept in the other bedroom, three of them sleeping in one bed. They had to live in that kind of house, of course, because the father was only making $200 a month and the most he could afford to pay for rent, unless the family cut down on its food bill, was $50 a month. So this was the kind of house in which they were living. Around the corner there were two families living in three rooms, with no closets, no bathtubs, no hot water.

In a survey made of one of Winnipeg's oldest areas in 1960, and I use this survey because nothing has been done to improve conditions in that area since, the welfare council of greater Winnipeg found that of 309 residential buildings only 1.76 per cent could be classified as being in good condition, 25.6 per cent in fair condition, 27.2 per cent in poor condition and 45.26 per cent in very poor condition. According to the report, in the same area 20 per cent of the houses have toilets shared by more than six people, 27 per cent have no baths, 32 per cent have no washbasins and 34 per cent are heated only by stoves.

Finally, after years of the kind of haggling to which the hon. member for Vancouver East has just referred, after years of planning and discussions between the city of Winnipeg, the province of Manitoba, the government of Canada and Central Mortgage and Housing Corporation, a beginning has been made in the city of Winnipeg. The first redevelopment project in Winnipeg is now under way. As a matter of fact, the minister has issued an invitation, which I and other members from Winnipeg will certainly accept, to go to Winnipeg toward the end of the month for the official opening. I have had the opportunity of seeing the houses in which the people were living, and they were living under the same kind of conditions which I have already described, although I was referring to a different area in which no redevelopment is yet planned. I have also had the opportunity of seeing the housing units into which these people are moving.

I could criticize the plans which were made; I could criticize some of the details of the new project, but it is a fantastic improvement for the people who are moving in there. But, Mr. Chairman, let us face the fact that this housing project of which I am speaking, which the minister has mentioned and of which we can all be proud, will only house a couple of hundred families. When you realize that Winnipeg has literally thousands of substandard units, to say that we in Winnipeg have finally begun to meet the problem by rehousing a couple of hundred families is merely to indicate that we have barely begun, and how little we have done to meet the problems which face us.

In the redevelopment area in which close to 2,000 people had been living most of the houses were over 50 years old. A house built in 1889 to accommodate two people was found in a recent survey to be housing seven. A house that had a single family back in the early 1900's was occupied by three families with a total of 16 people. Of the 337 families in the area, 129 had five or more children and most lived in cramped, poor quarters, some without bathtubs and hot water.

Such was the shortage that tenants in rooming houses in these areas were taking in roomers. A high percentage of the people there, who were by no means paying low rents, were receiving welfare assistance. In other words, the people of Canada through their municipal, provincial and federal governments were and are in fact subsidizing slum landlords. This is true in every city in Canada. It is true of Ottawa; it is true of Montreal; it is true of Toronto; it is true of Vancouver. This is something of which we should all be thoroughly ashamed. As I have said the accommodation they are moving into is fantastically better.

A very good reporter in the city of Winnipeg wrote an article in the Winnipeg *Tribune* of December 28 last in which he describes the contrast and I should like to read a couple of paragraphs. He says:

> Next spring Mr. and Mrs. E. are going to plant flowers in front of their home....All their married life they had lived in the slums of Jarvis ave. Two months ago they moved to the city's first low rental housing development at Burrows-Keewatin. In the slums the snow is grey with dirt and grime from crowded living. At their new home the snow is as clean as the neighbourhood.
>
> In front of their apartment is a wide expanse of sod, waiting for the shrubs and trees in the spring. At their old home their five children were strangers to grass and flowers. It had no yard and the front boulevards were ground to dirt from use....
>
> At Jarvis the lights are naked bulbs, with cords hanging from the ceiling. Mrs. E. needed no more persuading. Their apartment has two storeys and a basement. There are three bedrooms. The kitchen is bright and efficient with new equipment and ample cupboards. It is not elaborate, for an eye was kept on costs. But there is nothing of the appearance of cheap row housing. It has an air of solidity. And it has more breathing space outdoors than many commercial blocks.

I could go on, Mr. Chairman, but I think I have indicated what can be done and what

the minister talked about so eloquently the other day. But how many units of this type have we built in this great country? I have already mentioned that Winnipeg is just building its first project for less than 200 families, and we need several thousand. I doubt that we have built 10,000 public housing units altogether in Canada, despite the fact that we probably need 200,000 units in our cities alone.

We are doing almost as bad a job in the field of supplying adequate housing for our old people. Tens of thousands of our old people are living in the central parts of the cities of Canada in single rooms. They are cooking on a hot plate and reading by that little naked bulb which hangs from a cord in the centre of the ceiling.

We have seen what can be done. The service organizations and the Legion branches should be given a great deal of credit for the work they have initiated in every city in Canada, for the units they have built in which old people in receipt of old age pensions can live at a relatively modest rent. They are to be congratulated and the government which encourages this should be thanked; but when you compare what has been done with the existing needs we can see how little we have actually done.

It has been estimated in my own city that despite the efforts of the service clubs and the Legion we have accommodated just 700 of the 4,200 people who need special accommodation, and for the rest we are still giving them the kind of talk which the minister gave us this afternoon.

I do not want to be too critical of Toronto, as probably half the public housing units built in Canada are in Toronto; but if you compare what has been done in Toronto with what has been done in the United States, really it puts us to shame. I say this, even though we in Canada like to think the Americans are pretty callous and business minded, and we do not like to follow their lead in everything.

For the past four years Toronto has been talking about redeveloping the tumbledown section south of Queen street, opposite the new city hall. In the same period of time the city of Hartford has spent almost $45 million redeveloping a similar downtown area. Boston, which has a population about the same size as Toronto, has a 300 man redevelopment staff, while Toronto has a staff of just four people. In New Haven, which is about a quarter the size of Toronto, they have allocated 1,000 acres for redevelopment. That is as if Toronto had tackled the whole area bounded by Bathurst, Yonge, Bloor and Queen Streets. In Baltimore one in every five houses in that city has been marked for redevelopment.

Similarly, if one goes to Europe and looks at Great Britain, Sweden or any of the other western European countries, he can see projects for housing tens of thousands of people, projects which make ours look absolutely sick.

I was happy to hear the minister's speech and I am looking forward to having a chance to examine the bill in detail. But I suggest to the minister, and to the government, that the best bill in the world will not do the job which is required because too many of the provinces and the cities have wanted to ignore the problem. They seem to feel that if they ignore it, it will go away by itself. The minister can have the best bill in the world, and have virtually unlimited money available, but if it is only theoretical it will not accomplish very much.

If we are going to get on with the job of clearing out the slums, putting the people in the low income groups and the people who have reached retirement age into the kind of houses we would like to see them in, then it will be the job of the minister, his deputy, and central mortgage and housing to explain to the public, to the provincial governments and to the cities of Canada what can be done, what needs to be done, what should be done; and to explain how little this will cost in money, and certainly how little it will cost in comparison to the ills which are the results of the ignoring of horrible housing conditions which has gone on all these years.

I hope we will give less thought to the housing of people in the upper income brackets, people about whom the hon. member for Greenwood spoke, because they have been able to get housing accommodation and will be able to get it. It is time we thought about the people who need housing and who, until now and under previous governments, have been almost completely ignored.

[*Translation*]

Mr. Côté (Chicoutimi): Mr. Chairman, while we are at the resolution stage of a measure to amend the National Housing Act, I would like to make a few remarks in order to help families who may take advantage of this act. Indeed, one can say that up to now, the Central Mortgage and Housing Corporation is an organization that has rendered prominent services to Canadians. In fact, I have had the opportunity of taking advantage of it myself, and I have been very pleased with it. Nevertheless, there are surely many improvements that could be made to this act.

First of all, I would like to call the attention of the minister responsible for the administration of this corporation to the fact that there is only one French Canadian on its board of directors.

I do not think that is being fair to French Canadians, who represent 30 per cent of the Canadian population. I suggest there is room for improvement there, because it is not by giving them one member out of ten that we are giving French Canadians a fair deal.

Mr. Chairman, I notice also that the balance sheet shows an accumulated reserve in the mortgage insurance fund, etc., of $122,-440,000. And, once again, I do not think the main purpose of the Central Mortgage and Housing Corporation is to accumulate reserves, but to serve the Canadian people and to try and grant as many loans as possible in order to promote the building of family housing units.

For instance, if I am not mistaken, the minister stated the other day that 100,000 dwelling units were needed in Canada. It is a truly extraordinary number of dwellings and when considering the needs of, families it is therefore urgent to take the means to facilitate the construction of housing units for all families who wish to take advantage of this legislation.

Mr. Chairman, I also note that the money will be drawn from the consolidated revenue fund, that is from taxes. I wish to point this out, because I consider that it is an extremely serious anomaly to tax Canadians once again in order to increase the assets of this corporation. In my opinion, owing to the power held by parliament, such a situation could easily be corrected by returning some regal rights the Bank of Canada. The latter could make some funds available to the Central Mortgage and Housing Corporation at a nominal cost instead of levying them by means of taxes, as this bill seems ready to do.

That would make a truly substantial change and it would make capital directly available to the consumer, because it is said that activity in the building trade is a sign of prosperity. It is a fact that a great activity in the building trade is profitable to the whole nation.

On the other hand, when the building trade slows down, thousands of businesses are affected and thus, thousands of people are thrown out of work. Therefore, the federal government should take back its legal rights and grant the credit required to the Central Mortgage and Housing Corporation at a nominal or administrative cost, because the system as it is actually advocated, is basically incorrect and fundamentally wrong.

[Mr. Côté (Chicoutimi).]

Mr. Chairman, I should like to point out that in the development of residential housing, it is important to consider that the majority of houses built today for families are a bit too small. Plans should be taken into consideration to provide for the building of larger houses to meet the requirements of families.

Another very important point is that the Central Mortgage and Housing Corporation should not only grant loans in urban areas, but also in rural communities, because many family heads and individuals do not like to live in urban centres, but would like to build their own homes or have them built on contract. And if C.M.H.C. could grant them a loan, the social condition of a large number of families would be improved as a result.

Finally, I call the attention of the minister to the fact that the Quebec government grants a 3 per cent rebate on family houses in accordance with some rather strict standards. The federal government, in my opinion, should consider the possibility and feasibility of granting a rebate of at least 3 per cent to all the borrowers who took advantage of the National Housing Act because, as some hon. members mentioned, it is a difficult problem today for thousands of family heads to meet their monthly instalments, because the interest rate is too high.

Therefore, that advantage of a 3 per cent rebate should in fact be extended to all parts of Canada and not only to a special area of our country. It would a wonderful opportunity to be of assistance to the Canadian people.

[*Text*]

Mr. Macdonald: I should like to address a few words on this subject, as one who comes from a constituency which has within its limits not only one third of the existing public housing in Canada but also substantial areas of ground which should be redeveloped for public housing or otherwise included in an urban renewal program.

I should like to make a few comments on what was said by the hon. member for Winnipeg North. He referred to the fact that in the city of Toronto we have been dilatory over the years in developing the south side of Queen street. He was critical, I gathered, because this project is not going forward. I would point out that the development proposed for the south side of Queen street is not a housing development but a commercial redevelopment. In my opinion housing has a priority which should be well ahead of the kind of civic monument which is in the minds of those who are contemplating this redevelopment.

One aspect of the speeches made by both the hon. member for Winnipeg North and the hon. member for Vancouver East was an exhortation to the minister to get on with this particular job. Both of them ignored the fact that responsibility for the primary initiative has under the constitution of our country been given to the municipalities. It is with the municipalities that the initiative in this field lies. It is they who must decide how the downtown areas are to be redeveloped, how land is to be used, and so on. It is they who must put up the basic equity which will make these developments possible.

However, I agree with the hon. member for Winnipeg North that there have been serious shortcomings from the municipal standpoint. He gave a number of examples from Winnipeg and I will give one from my own riding. In an area not a mile away from where Toronto is proudly raising its new city hall, down a narrow laneway with broken sidewalks can be found a row of 15 or more houses about 75 years old, leaning at a precarious angle, with windows broken and the refuse deposits of several weeks lying outside uncollected. My visit was made in January of this year in response to a request for assistance. In the house I entered there was no running water in the bathroom, the toilet had fallen off the wall on to the floor, the ceiling had fallen in in several rooms and in one, immediately above the kitchen, it was possible to see right through the floor. The furnace was not operating and had not been operating since October. I remind you, Mr. Chairman, that my visit was in January and that the city of Toronto has a specific bylaw requiring landlords in these circumstances to heat buildings. I was advised subsequently by the public health inspector for Toronto that he had had to issue an order requiring the tenants to clean out the lice and cockroaches in this building. Yet for this hovel the occupants were paying $55 a month, a substantial amount of what they were receiving from city welfare sources. Once again, this is not something out of Oliver Twist in 19th century Britain, nor is it mid-depression Britain pictured by George Orwell in "The Road to Wigan Pier". These are conditions which exist in metropolitan Toronto in 1964; I may have mentioned an extreme example, but many other such cases exist.

The root of the problem is failure on the part of the general public to realize that there are these pockets of bad living conditions and it is our responsibility and that of the public generally to recognize that they do exist. It rests with the municipalities to assume their responsibility in this connection. First of all, something must be done at the municipal level to enforce the bylaws already on the books. I brought the particular example I have just given to the attention of several municipal councillors in Toronto and they looked with horror on my suggestion that the bylaws should be enforced, pointing out that the enforcement of bylaws was unpopular politically. I am not suggesting that this problem will be solved by mass housing developments of the kind which have been referred to by one or two hon. members. In 1949, with assistance from the federal government, the Regent Park North project was built in Toronto largely at the instance of the late Mayor Robert Saunders. This was followed in 1956 and 1957 by the Regent Park South project, the two together making up about 3,500 units. These particular projects, which led to the congregation of a large number of residents in a relatively small area, engendered social problems all their own. It is reassuring to note from the resolution on the order paper that the Central Mortgage and Housing Corporation has learned from the Regent Park experience that it is far better to partially dehabilitate an area, using some of the existing structures where possible, as opposed to the mass levelling and reconstruction which was carried out in the case of Regent Park. In the case of Regent Park South, the land cost over half a million dollars an acre. With the adoption of the policy set out in this resolution, more and more adequate housing can be achieved for low income families with the same expenditure of the tax dollar. Equally, by retaining some of the houses in private ownership and by selective redevelopment we can also avoid the segregation of many welfare cases into a small area, which has inclined to create its own type of social problem in some of our developments.

I would also like to bring to the attention of the minister some further requirements which in the future I would like to see added to the National Housing Act. First I would like to see provision made in the National Housing Act to provide mass developments such as Regent Park South, and area redevelopments with recreation centres and facilities for children so that some of the social problems which have arisen in mass housing projects in which there are insufficient recreation facilities can be overcome.

I would also echo the sentiments of the hon. member for Greenwood earlier this day, when he pointed to the work of one of the vice presidents of my association, Mrs. May Birchard, toward providing daytime shelters for out of work and unemployable men. I would like to see in time a resolution introduced into this house to amend the statute to make it possible, in those areas where residential redevelopment is not possible, to

clear the land and then have the city sell or lease it on a long term basis for commercial or industrial purposes in order to improve the economics of housing development elsewhere in the city. Perhaps our cities could be assisted in this way. In the example I have mentioned the project is within a quarter of a mile of major rail lines and of the new Gardiner expressway. Very obviously land is of great value there for commercial or industrial purposes. It should be possible for Central Mortgage and Housing Corporation to assist in the development of that land for commercial purposes and then to use the profit gained to subsidize improved housing development elsewhere in the city. We have heard a great deal in the last year or so about Michael Harrington's "hidden poor", that group which in one way or another our existing social measures fail to reach. Better housing will not answer all the problems of the hidden poor, but without providing better living accommodation for them none of the other social measures we might have can hope to be successful. I therefore hope that this resolution will soon pass and C.M.H.C. will be empowered by the provisions included in the resolution, to support the municipalities in engaging in this type of urban renewal project.

Mr. Nielsen: Mr. Chairman, it was not our intention to hold up this resolution at all at this stage. No member of this party has risen this evening, in the hope that the committee would pass the measure through the resolution stage and we would have the bill before us. The minister informed me in a discussion I had with him that the bill has been printed and is now ready for distribution, and we have been hoping all day that the resolution would pass and we could have the bill before us so we could offer some substantive contribution to the specific measures to be enacted. Now, since several members of the parties to my left, and a government member have entered the debate I think it is only fair, even though in all likelihood there will be no acknowledgement of the co-operation we are endeavouring to give the government in this matter, to say a few words on this subject. None the less, we are eager to see the resolution stage dispensed with, and I would submit to all members of the house through you, Mr. Chairman, that more constructive contributions can be made to the debate once the bill is before us and once we have the specific proposals before the committee, particularly as they concern problems in connection with the operation of the act in local constituencies.

I could say, Mr. Chairman, that the last government, the Progressive Conservative government, when it was in office did more in that short time to improve the operation of the National Housing Act than any other government since the act was first introduced in 1935. But I will not say that because I do not want to take up the time of the house in doing so. I could, too, say that the provisions of the resolution the committee has before it are substantially the provisions of the measures that were proposed by the former government or an extension of those measures that were brought in by the former government. But I will not take up the time of the house in doing that tonight either; I think it is important that the resolution stage be proceeded with and dispensed with so we can have the bill before us.

On behalf of this party, the official opposition, I will say that we endorse those remarks that have already been made with respect to the late minister, Jack Garland, and Mr. Stewart Bates. I knew Mr. Bates personally and I received nothing but co-operation from him, and always a dedication to the operation of the act for the benefit of all Canadians. Suffice it to say that the resolution itself substantially contains provisions which were proposed by the former government, with one or two exceptions, the loans to existing homes, and so on. These are very good provisions and ones which would have seen the light of day had we not been faced with the obstructionism of the then opposition whose members now sit on the government benches.

The minister has made reference to the Winnipeg urban renewal scheme. This is a project to which he attached great importance as one of the largest in Canadian housing history. We, of course, are bound to agree with him. Here again, the Winnipeg scheme was conceived, generated and commenced by the previous government and we have nothing but praise for that scheme. I am sure the minister wants to be fair and will immediately concede that this is so. Also the provisions with regard to the extension of loans for the construction of accommodation for university students was another measure with which the former government was concerned. So I could go on, Mr. Chairman, but I do not want to take up the time of the committee in going through them item by item.

However, there are one or two provisions in the resolution which are of interest and we will have to wait until we see the bill before we can be constructive in our contributions with respect to these matters. I would hope, once again, that we can get the resolution through this evening and have the bill before us. It has been printed and is ready for distribution. Once we have it before us I am sure we will all be in a much better position to make some constructive contribution to the debate.

Mr. Stenson: Mr. Chairman, I would like to make a few remarks about this resolution. After looking through the different items in it, it is my belief that we should be attempting to give more aid to municipalities, especially those municipalities with large national housing projects and those considering urban development. I would like to speak for a few minutes this evening on the question of land assembly or the federal-provincial development which we have in Peterborough. This development was set up in 1952 by the federal government, the provincial government and the municipality of Peterborough. It includes 660 acres and the intention was to have a continuous supply of lots, but from 1952 to 1957 there was very little accomplished with regard to this development. Since 1957 a total of 692 lots have been developed and built on; but this has been accomplished over a period of 12 years, with most of the development taking place after 1957.

This is one of the largest developments in Canada at the present time. This development was divided into four or five phases but it has not given contractors and individuals a steady supply of serviced lots. I do not know whether this fault lies with the federal government, the provincial government or the municipality. This type of planning when there are no serviced lots for contractors or individuals to purchase is not good for the city. I should like to point out to the minister that this is the type of development that hinders any private developer competing in such a project. This is where I feel the federal government should consider more assistance to municipalities if this type of development is to continue.

I should like to read part of the agreement which the federal and provincial governments have signed with the city of Peterborough, and I imagine other municipalities have also signed similar agreements. This is what is required by the city in regard to services:

> At its own expense, to provide all trunk services which may be required to the edge of the project.

This item alone I feel adds a considerable burden to any municipality's tax structure. These services entail main trunk sewers, water mains and storm drains. I would also mention that traffic arteries must be built to service large land assembly projects.

Another item to which I should like to refer asks the city that no municipal tax rate or charges of any nature whatsoever be levied by the city while the lots are owned by or on behalf of the corporation. In 1952 the city turned over to the corporation 660 acres of land to develop. Since that time the city has received no taxes from this property unless it was developed and sold. This has been a subsidy that the city has been asked to carry. No private developer has ever had such concessions.

I consider that in the case of the city of Peterborough the city has lost thousands of dollars in taxes over the past 12 years. On checking with the municipality I understand that this land assembly at the present time which is owned by the corporation is assessed at $500,000. With a mill rate of 70 mills on the dollar, this amounts to $35,000 being lost by the city in taxes. Spread over 12 years means that close to $400,000 may be owed to the city of Peterborough by the corporation. I do not feel that these concessions should be granted the corporation.

Right now in this land assembly there are only ten lots available and there will be no more available this year. There are no services in there at the present time. When this site was chosen for the project I do not think consideration was given to the distance to the sewage plants. It has been an expensive drain to the city, which services the area with trunk sewers. The corporation is authorizing help for municipalities with sewage treatment plants. I think they should consider main trunk sewers, especially for this type of project. If the municipality is responsible for supplying these services it may be a reason why they are not advancing with these projects as fast as they should. The trunk service which went to this land assembly a few years ago cost over $1 million. I do not feel that all of this amount went into services in this area, but most of it did, and I understand that another trunk sewer service will be needed there shortly.

Therefore, Mr. Chairman, I think the corporation should add to paragraph (g) of the resolution, along with sewage treatment projects, main trunk sewers, water mains and storm drains which will service housing projects. We must also consider main arteries for traffic with which municipalities such as mine find themselves saddled. For this reason I think the government should consider assistance for main streets or thoroughfares which are going to service this type of development.

In the agreement to which I referred there is also an item regarding the engineering of the project. The city is asked to carry out engineering designs of all services required by the project. Such engineering design is to include field investigation, surveying, preliminary and final planning and preparation of all plans, working drawings and specifications. After they are finished the city is allowed to pick up 3 per cent of the cost of this project from the corporation. Any businessman realizes that any engineering or

consulting firm would get at least 10 per cent on this type of work. I imagine that this government would not want to pay anything less, and here again I feel that the cities are subsidizing the corporation.

Another feature I should like to bring out regarding this project, something which the contractors must contend with, is that when lots are being purchased in land assemblies the builders must pay double price. If the lot is selling for $1,500 to individuals a builder must pay $3,000; and on completion of the home, if the builder sells it at the price set by C.M.H.C. he is refunded the extra $1,500 which he paid for the lot. This is referred to as an end price. I realize that this clause was inserted to protect the public from speculators and builders, but at the present time I do not think that these controls are desirable or necessary. Competition among contractors building this type of home makes it very unlikely that prices will rise. It might also encourage builders to put better workmanship and materials into the homes if this selling price is not applied. This set price tends to make builders cut corners and thus lower the standard of the homes which people are purchasing today.

I have spoken to the minister regarding this matter and I feel that he is going to have an answer for me. I feel that the corporation should take a careful look at the Peterborough area and other similar areas with a view to seeing that more lots are made available for builders, so that cities such as Peterborough are not left to pick up all the cost of these subsidies. I understand that the federal and provincial governments lose no money in this type of development, but I feel the municipalities are certainly subsidizing them. I feel that if these subsidies are needed they should be carried out by the government. Before I sit down, I should like to say that I am not criticizing this development in Peterborough or this type of project. I am criticizing the financial burden that is being loaded upon the municipalities.

Mr. Herridge: Mr. Chairman, I think it is a long time since we witnessed such an unwarranted display of parliamentary self-righteousness as that demonstrated by the hon. member for Yukon a few minutes ago. He occupied the time of this house in complaining that some members were obstructing the passage of this resolution. Then, he spent seven minutes making inconsequential remarks.

Since I am a great respecter of the rules, I wish to make a few remarks which are more appropriate at the resolution stage—

Mr. Winkler: That is a matter of opinion.

[Mr. Stenson.]

Mr. Herridge: —than on the bill. I do not know what is happening to my right, Mr. Chairman.

Mr. Winkler: I was saying that was only a matter of opinion.

Mr. Herridge: Yes, that is generally the case in this house.

Mr. Knowles: That is what this house is for.

Mr. Herridge: I want to say that I rise to support the resolution. Personally, I am very pleased to note the provisions relating to further assistance to provinces and municipalities in carrying out urban renewal programs authorized by Central Mortgage and Housing Corporation. This is a very important aspect of this question to a number of communities in my constituency. I am very glad that the measure will provide for the inclusion of existing houses in urban renewal programs. Then there is the matter of providing loans to co-operative associations and charitable corporations to assist in the construction of accommodation for university students and their families. The resolution also refers to authorizing the corporation to make loans and contributions to provincially or municipally owned housing agencies for public housing projects or subsidized housing accommodation for families of low income. I believe that that is very necessary indeed.

Now, Mr. Chairman, I wish to make a few remarks. I must say that I appreciated the tone and the tenor of the minister's remarks.

I thought his opening statement introducing this resolution was most appropriate. It is obvious some considerable thought has been given by the minister and the officials of Central Mortgage and Housing Corporation to the particular needs in Canada at this time which make these amendments necessary. I have a few suggestions to make. In contrast to the hon. member for Yukon, I do attempt to have ideas.

First of all, I suggest to the minister that greater consideration should be given to the smaller communities, especially in the unorganized districts. I am not underestimating what corporation officials have tried to do in the past. The insurance companies have overlooked these isolated villages, incorporated or unincorporated, because I understand they do not like the cost of administration from a central office in Vancouver, or some large city. There is also the difficulty that ensues as a result of their distance from the investment and the lack of opportunity to oversee it periodically. Central Mortgage and Housing Corporation has the staff and the facilities to render these services and to give advice to the organizations and people in

these smaller communities who are anxious to take advantage of the provisions of the act and who will be more anxious to take advantage of the amendments that are indicated now.

I make this suggestion, Mr. Chairman, to the minister that there should be more visits by officials of the corporation to the smaller communities. I realize that this is not always easy, but they should contact the proper organizations which, in some cases, will be the city council, the chamber of commerce, the Rotary club, the Legion, farmers' and women's institutes or other organizations. The corporation officials should advise them as to what can be done under the act, and the policy of Central Mortgage and Housing Corporation with regard to the administration of the regulations relating to the various sections of the act.

Now, I believe it is necessary that there be a wider understanding of the purposes of the act and of the opportunities that are provided under the act. If I may give an illustration, last year one or two communities in my constituency were quite put out about the fact that organizations and individuals could not obtain loans from the corporation in areas that were outside the accepted or, shall I say, the ancient boundaries of the village. I discussed this with one of the senior officials. I forget his name, but he was the least bureaucratic type of person I have ever met. He came up to my office and explained the whole situation. I asked him to write me a letter outlining the policy of the corporation in this respect. Then I was able to send this letter back to the organizations concerned and to the builders concerned. They were quite satisfied because they realized they were not being picked on. They were under the impression at the time that this little community was the subject of some discrimination. Once they understood the situation, the feeling of indignation passed away. There has been a local official visit this district and give a talk to the chamber of commerce, but he dealt with the situation on a purely local basis without indicating to them that this was a national policy and there was no discrimination.

I believe that there should be a great deal done to increase the understanding of the act and the advantage that can be taken of it. In this way, a good deal of misunderstanding would be avoided. I want to support what previous members have said in respect of the need for the extension of homes for senior citizens. In my opinion, it is pathetic to witness the distress of older people who are wrenched away from their friends and familiar surroundings because they have to go to a larger centre to live in one of these homes for senior citizens. I do urge that special consideration be given to this problem by the officials of the corporation. They should go to these smaller communities and inform interested local organizations such as chambers of commerce, women's and farmers' institutes, the Legion, Rotary clubs and so on, who may be interested in sponsoring one of these projects, what can be done under the act. Their advice in planning a project like that would be most useful indeed.

I have been asked to bring to the attention of the minister the need for increased accommodation in the city of Nelson. I am not going to speak at length; I am going to give him the details of these complaints later. I have been asked to mention this in the house—

Mr. Francis: I wonder if the hon. member would consider making some of these remarks at the bill stage so that we can get this resolution through now.

Mr. Herridge: I am watching the clock. I said I was not going to detain the passage of the resolution. However, when I have been asked by my constituents to rise in this house and speak, I do so, and nobody stops me.

In any event, I have been asked to raise the question and I want to deal very briefly with the correspondence. I have a letter here from the editor of the Nelson *Daily News*, who is very concerned about this situation that exists in Nelson.

He says:

> A private concern by the name of Transco Development Limited has indicated their intention and desire to construct a large high rise apartment building in Nelson with accommodation for slightly over 70 families. Financing is being attempted through Central Mortgage and Housing Corporation.
>
> There seems to exist in the minds of C.M. and H. officials some doubt as to the need for decent accommodations in the city of Nelson to the extent proposed. From my own personal experience in Nelson I can truthfully state that there is a decided lack of decent rental accommodation in Nelson from the standpoint of housing or apartments. Most of the available rental facilities are of ancient construction and many of them stand vacant for this very reason. Many people are unwilling to accept substandard accommodation and poor living conditions when their income would provide much better if only the proper type of facilities were available.
>
> It would be a shame if the city of Nelson were to lose this opportunity to provide a mere handful of families a decent place in which to live. As member for Kootenay West you can do your constituents a great service by bringing this matter to the attention of the proper authorities in Ottawa and perhaps it would be a good idea if Central Mortgage and Housing Corporation was informed that the people of the Kootenays will not sit still much longer waiting for development and progress which only easier financing can attract. Perhaps it is time that people of the Kootenay investigated the possibility of bringing

American development funds into the province. I trust that you will give this matter your early attention, sir.

Then I have a letter from the corporation of the city of Nelson in somewhat similar vein. I have another letter from Nelson school district No. 7 about a survey. I have another letter from the Nelson chamber of commerce in similar vein. I also have numerous letters from various firms in Nelson interested in the building of these apartments and quite a large number of letters from persons employed in Nelson who are seeking accommodation. I urge the minister and his officials to give further consideration to the need for increased accommodation in Nelson to meet the increase in employment, population and economic activity.

I have one other matter to mention and I am quite sure that if the hon. member for Port Arthur was here he would say that this is a Victorian idea. I am accused by my colleagues on some occasions of having some Victorian ideas. I have raised this question before but I have not had a very sympathetic response from any former minister or the officials. However, I expect a more sympathetic response from the present minister because he knows something about the lumber industry. He has been closely associated with it and he knows all about forest materials.

I suggest that when houses are being built in a district where lumbering is the major industrial activity, every consideration should be given to using wood in its various forms in the building of houses, instead of shipping in asbestos shingles. If they are put on the side of a house and a boy happens to throw a rock at them they break up in a year or two. I urge that every consideration be given to permitting the building of houses from local materials as far as possible, and in our district of course they are wood products.

My second suggestion is that consideration should be given to loans to persons who wish to build log homes. This is a point about which I can well understand the hon. member for Port Arthur might snort, but I think the suggestion offers some scope for the officials of Central Mortgage and Housing Corporation to investigate. In the Kootenays we have young men who are building homes and are importing synthetic materials. They are putting asbestos roofs on their homes. At the same time Californians are coming up to the Kootenays and taking pictures of the exterior and interior of log homes. Then they are going back to California and buying logs, and these very men who are buying asbestos for the roofs of their houses are making shakes to be sent to California at a terrific price.

I happen to be one of those persons who are interested in the production of shakes, and if the minister or his officials will read the literature with respect to the value of shakes they will realize that they make the most efficient roof that has been devised by mankind to date. I have shakes on the roof of my office which were put there in 1898, and they are almost as good today as the day they were put on.

I do ask that consideration be given to the granting of loans to persons who can prove that they can have nice log homes built. We have plenty of first class timber of the right type. We have plenty of cedar for the production of shakes. I should like to see some variety in homes. I am not suggesting that this type of home would be suitable in the suburbs of a large city, but this type of home is very suitable in small communities and rural areas. I do urge that consideration be given to introducing some variety into housing designs. I am one who is not much given to conformity. I should not like to live in a house that was exactly the same as my neighbour's, and like hundreds of others in the same suburb. I like variety, and I think most people do if they get the opportunity to take advantage of it. I do urge that consideration be given to the granting of loans to persons who want to build log homes.

We have a lot of young men in our district who are quite capable axmen. They are interested in it, and once they see log homes and see the possibilities for beauty both on the exterior and the interior they are very taken with them. They would like the opportunity to use their own skills and local materials in order to build homes that would be most suited to the district in which they would be built, and would be something a little different from the uniform houses that are produced today, and I suppose necessarily so because of the attempt to reduce costs. I see that you are looking at me with a rather anxious eye, Mr. Chairman, so at this point I will conclude my remarks.

Resolution reported and concurred in.

Mr. Nicholson thereupon moved for leave to introduce Bill No. C-102, to amend the National Housing Act, 1954.

Motion agreed to and bill read the first time.

BUSINESS OF THE HOUSE

Mr. Churchill: Mr. Speaker, I should like to ask the house leader what the business will be for tomorrow and Wednesday.

Mr. Favreau: Mr. Speaker, tomorrow we shall proceed with the debate on second reading of the bill to amend the Farm Credit Act, after which we will take item No. 5 on today's order paper, a bill to authorize the

construction of a bridge across the St. Lawrence river between Ste Foy and St. Nicolas. If there is time left tomorrow we will take second reading of the bill to amend the National Housing Act although, beginning Wednesday, unless some other arrangements are made after consultation with the house leaders, we will be taking the resolution, which will be printed tomorrow on the notice paper, for the purpose of obtaining the ratification of the Columbia river treaty and protocol.

Mr. Churchill: If there is some urgency about the bridge across the St. Lawrence would it not be wise to take it first? I doubt if it is controversial although I do not know what the facts are.

Mr. Favreau: This is an excellent suggestion and we could take it first; I think it was not controversial. That would be a proper order of business, I think.

Mr. Knowles: For the convenience of members can it be definite? We will take it either way, but let us be definite.

Mr. Favreau: If the parties agree, as suggested, let us make it definite and take it tomorrow afternoon.

PROCEEDINGS ON ADJOURNMENT MOTION

(Subject matter of questions debated under adjournment motion).

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

CANADIAN FLAG—SUGGESTION FOR ONE DISTINCTIVE DESIGN

[*Translation*]

Mr. L. J. Pigeon (Joliette-L'Assomption-Montcalm): Mr. Speaker, on May 6 last I asked the following question of the Prime Minister:

> In view of the fact that Canada has been an adult and independent country since the Statute of Westminster, could the Prime Minister assure the house that his government will give us but one distinctive national flag, without union jack or red ensign, so that Canada may not be mistaken for some foreign country as happened at the time of the Suez crisis?

Mr. Speaker, personally I object entirely to the inclusion of either the union jack or the red ensign in any bill for, in my opinion, both flags represent imperialism and foreign domination.

I would prefer a bill establishing a single distinctive flag bearing, for instance, a single maple leaf.

Those who are against the inclusion of such a symbol because there are no maple trees in certain parts of the country should remember that the coat of arms of Canada includes lions and yet, I have never seen one in our forests.

The government is asking us to take illogical action when it invites us to accept two flags.

Mr. Speaker, what would you think of Napoleon if, when he was crowned emperor of the French, he had proclaimed the tricolour as the official flag of France to please the revolutionists and if, at the same time, he had kept the white flag fleur-de-lis to keep the support of the Bourbons and the aristocrats?

Mr. Speaker, I hope the Minister of Justice will have another try at it, for he failed in his duty by accepting two flags, including the union jack; I hope he will make amends, so that we may have one distinctive flag which will be a symbol of unity and not a symbol of division in the country.

Mr. Speaker, I am in favour of only one flag, without any foreign symbol, because we are a sovereign nation which, on the domestic level, is self-governing and, on the international level, is not subservient to any other country.

> Sovereign does not mean absolute, for every country is subject to public international law.
>
> We can state with pride that our country enjoys today the eight main attributes of a sovereign state.
>
> These are the right to legislate; the right to give our legislation extraterritoriality; the right to have diplomatic representation abroad; the right to have Canadian courts of last appeal; the right to declare peace, war or neutrality; the right to amend our constitution according to our wish and our decision; the right to negotiate and sign our own treaties; and finally, the recognition of our sovereignty by the other countries of the world.
>
> Many factors and events have enabled the realization of such a maturity. But the most outstanding was the Statute of Westminster passed on December 11. 1931—

Mr. Speaker, I took my inspiration for the foregoing from a speech made in the house a few years ago by the former member for Sherbrooke, Mr. Maurice Allard.

Mr. Speaker, I hope the government will reconsider the matter and make amends.

We have seen tonight on parliament hill a scene of division which reflects to some extent the picture of our country today.

I hope that the government will give us only one distinctive national flag and not two. Personally, I would rather see it wait a few years instead of giving us two symbols, two flags representing two Canadas, that is the complete destruction of national unity.

Mr. Habel: The last chance.

Mr. Pigeon: Mr. Speaker, I ask you to call to order the hon. member for Cochrane (Mr.

Habel) who, behind the curtains, is making remarks—

I ask you, Mr. Speaker, to call to order the hon. member for Cochrane.

[*Text*]

Mr. Deputy Speaker: Order. The hon. member for Port Arthur.

[*Translation*]

Mr. Pigeon: Mr. Speaker, parliament is waiting for the government's answer. It is illogical to refuse it that answer.

[*Text*]

CANADIAN BROADCASTING CORPORATION— WITHDRAWAL OF FILM RESPECTING PRIME MINISTER

Mr. D. M. Fisher (Port Arthur): Since I raised this question in the house I had an opportunity to make remarks about it the other night in the grievance period, but there was no answer from the government benches. I intend to put the question again with some added information. I see the Prime Minister's valuable, emotional and colourful parliamentary secretary is here and I am looking forward to a brilliant response to my question, such as he gave last week when he entertained us all with that wonderful reading from one of the Prime Minister's speeches.

The question is really the relationship between the Canadian Broadcasting Corporation, the Prime Minister (Mr. Pearson), the Prime Minister's office, an independent producer of films, Intervideo Productions Limited and its head, Richard Ballentine. I should like to begin by putting on record some opinions of one George Hogan which appear tonight in the Toronto *Telegram* because in this case I agree with the opinions expressed and I think they set out the points I wish to make. Mr. Hogan says:

> The C.B.C. has the right not to show the film if it so wishes. And I personally think the country's Prime Minister ought to have the right to ask that a film about himself not be shown if he feels it will be personally or politically harmful.
>
> But surely neither has the right to achieve these purposes by hiding behind charges which may well destroy the career of a man who has done his job in good faith.

That seems to be the problem. The latest news in this case is that the C.B.C. has informed Mr. Ballentine that it refuses to pay him for the services rendered in connection with this film unless he gives up the slash prints which he feels he will have to show in order to vindicate his reputation. Well, I am making an effort in association with some other members to arrange for the railway committee room to be available some night so that Mr. Ballentine can show the film there and be sure of an audience of people who will perhaps be most expert in judging whether the film is good or not. We shall put it on and see what led Mr. Reeves Hagan of the C.B.C. to say that it was just a peep show and that the production showed a lack of intellectual grasp.

I have been trying to find out something about the Prime Minister's lack of intellectual grasp, or his intellectual grasp, by reading some of his material and I have not yet arrived at any decision because it is a hard thing to decide whether a person lacks intellectual grasp or not. I want to begin this part of my comment by saying, though, that the Prime Minister obviously is not very decisive if he has to bring in every Tom, Dick and Mary to give an opinion as to whether this is a good film and puts him in a good light or not. I think one of the real unfortunate aspects of this is that though we have a minister of culture, the Secretary of State (Mr. Lamontagne), he was not even called in to look at the film. Instead, we have Tom Kent saying it is brilliant, Mitchell Sharp saying it is an astounding document and Keith Davey telling us it is absolutely brilliant. And still it was turned down.

I want to ask whether it was turned down because it showed the Prime Minister trying to make a difficult decision about whether he wanted to watch the world series game or hear from the Minister of Labour (Mr. MacEachen) about the S.I.U. problem which was forcing itself forward into a crisis. This may seem picayune but it is important. Why, after six months preparation, after all these screenings, after all this enthusiasm by the C.B.C. and its public affairs department, was there this sudden switch? Either the Prime Minister, after all this advice from his coterie, who gave their decisions as to whether it would show him in a favourable light, so informed the C.B.C. and they switched, or we need an answer from the C.B.C. as to how they can be so wasteful and extravagant and so much off on the wrong track to spend six months and $35,000 on something that at the last minute they say is not technically good enough. The question arises whether Mr. Hagan, the public affairs representative who was dealing with this matter, was overruled by the senior people in the C.B.C. If they did overrule him, does it come down to the fact that the senior executives of the C.B.C. overrule the heads of their departments? Or did they get a message from the Prime Minister's office? We do not know. All we know is that this is one of the silliest, most wasteful affairs imaginable. On the one hand, they spent all this time and money to find out that something was technically inferior at the end, and so publicly slur the producer; or it is a really tragic situation of inadequate liaison between the Prime Minister's office and the C.B.C.

I suggest, Mr. Speaker, that we have to have answers to these questions, and we need good, clear answers. Questions have been put on this subject and I think we should have a reply from the government now. Before concluding, I would like to say a word about this aspect of the matter. I hope we can prevail upon the government so that we can see this slash print that the C.B.C. demands back and which they want to suppress. I hope we can see it right here on parliament hill, so we can get the whole story on the world series and see whether its producer is so technically incompetent as the C.B.C. has had the nerve to say.

Mr. Jack Davis (Parliamentary Secretary to Prime Minister): Mr. Speaker, with reference to the film "Mr. Pearson—the man and the office", two things, I think, should be made quite clear: first, that the Canadian Broadcasting Corporation thought up the idea; and second, it was the C.B.C. which finally decided not to release the film. This was to be a candid camera production; it was to cover a day in the life of a Canadian prime minister; it was to cover private discussions with cabinet ministers; it was to show policy being formed. As some of this material was bound to be confidential, and because the dignity of the office of the prime minister had to be protected, the Prime Minister asked for the right to review the film. The right was readily granted and work began.

During the editing stage the film was viewed on four separate occasions. On two occasions the Prime Minister himself was present; the first was in December in Toronto, to see the earliest assembled version, and the second was in Ottawa after substantial editing but without the advantage of a sound track. All discussions as to content were carried on with the C.B.C. by members of the Prime Minister's staff, principally Mr. O'Hagan. Every effort was made to protect the editorial prerogatives of the producer.

The office of the Prime Minister is content that there was no transgression in this area. At no time was any judgment as to the quality of the film transmitted to the C.B.C., formally or informally, by any member of the government or any representative of the Prime Minister.

NORTHERN AFFAIRS—ALASKA HIGHWAY—INQUIRY AS TO NEGOTIATIONS WITH UNITED STATES

Mr. Erik Nielsen (Yukon): Mr. Speaker, the question that stands in my name concerns the Alaska highway, and I am glad to see that of all the responsible ministers who were supposed to be here tonight to answer questions, the Minister of Northern Affairs and National Resources (Mr. Laing) is at least in his seat. The question arises out of a press report I read in the Montreal *Gazette* concerning a speech the minister made in Vancouver to the Vancouver chamber of commerce. The *Gazette* refers to the minister as having at last caught the vision, which they term the bold, booming vision. The contents of his remarks to the chamber in Vancouver inferred, according to the press article at least, that there had been some discussion with the government of the United States with respect to a joint cost-sharing project for the paving of the Alaska highway. The minister knows that I have asked several questions on this subject in this house over the last year of the Prime Minister, the Secretary of State for External Affairs, the Minister of Public Works, and of the minister himself.

I should like to read to him now a copy of a letter which I have in my possession written by Mr. Frederick G. Dutton, the assistant secretary to Mr. Rusk of the United States. The letter is headed up on department of state stationery of the United States government and is addressed to congressman Rivers, with whom I have co-operated for some time in regard to the paving of the Alaska highway. The letter is dated March 11, 1964, and reads as follows:

Dear Congressman Rivers:

I refer to my letter to you of November 15, 1963 in response to yours of November 5 requesting that this department open discussions with the government of Canada to ascertain whether or not Canada is sufficiently interested in the idea of blacktopping the Alaska highway to consider some joint cost sharing arrangements.

As I said in my previous letter, the department felt it necessary to review the matter with other interested agencies prior to opening any discussions with the Canadian government. In the absence of a United States government initiative in support of such a proposal, the department did not feel that a direct approach to the Canadian government requesting their views was appropriate. However, the department has taken the opportunity of calling to the attention of the Canadian government the bills recently introduced into congress, H.R. 9667 and H.R. 9716, and S. 2417, relating to this proposal and providing copies for its information.

The minister is also aware that last February 21, 1964 I asked a question in this regard of the Minister of Public Works, and his reply indicated that until an economic assessment had been completed on the economic feasibility of paving the Alaska highway the Canadian government did not intend to proceed further with it.

My specific question last Friday, I believe it was, to the minister asked for his comments with respect to the press article, and whether the Canadian government had had any discussions with the United States government, formal or informal, which would justify the minister stipulating in Vancouver

that if the United States government offered to pay the whole cost of the paving of the highway the Canadian government should accept such a proposal. That is the way the press printed the story. It may have been distortion, because apparently several ministers have been complaining about being given unfair press treatment of late, and perhaps the minister of northern affairs did not say that in Vancouver. However, I am sure that I and certainly the house would be interested in this matter.

I am also wondering whether the minister would tell us whether or not any negotiations are now under way, formal or otherwise, with the government of the United States or any agency of the United States government with respect to any paving program on the Alaska highway; whether it is to be a joint cost sharing program or whether it is to be paid for in whole by the United States; or whether the Canadian government intends to pave the highway on its own.

The other question I am interested in and I am sure the house is interested in is this. If such discussions have not yet taken place, when does the minister anticipate they might take place? The minister seems to have had this information at his fingertips when he addressed the Vancouver chamber of commerce, and my constituents in the Yukon are very vitally interested in this highway, since it contributes substantially, as the minister well knows, to the economic well-being of the Yukon throughout the length of the highway in the Yukon. Since the army will be moving out almost entirely by the end of this month, with the Department of Public Works taking over the maintenance operation—I am sure they will do an excellent job—there is a reduction of approximately $1,200,000 a year in the army payroll in the Whitehorse area alone. Therefore we are all extremely interested in what are the plans for the paving of the highway, and I would suggest that the minister take this opportunity of giving some information to the people of the Yukon regarding the government's plans for the paving of the Alaska highway. Since the minister has made certain statements to the Vancouver chamber of commerce, I think this is the least the people of the Yukon are entitled to from the minister this evening.

Hon. Arthur Laing (Minister of Northern Affairs and National Resources): I am quite certain that there is no subject of greater interest to the people in western Canada, nor one of any greater economic interest to the people of the whole of Canada, than having a modern Alaska highway. This highway was built in 1944 as a war measure by the United States at an estimated cost at that time of $125 million. In 1946 it was turned over to Canada without cost by the United States government. Since that time it has been improved on the southern end, from mile zero at Dawson Creek, by about 83½ miles of paving northward. I am very proud to be able to say that the paving was done by a government represented by this side of the house and not the other.

If my hon. friend from Yukon is somewhat jealous and envious of the further activity we have undertaken in respect of the Alaska highway, I can understand that. We have been extremely energetic to see to it that we can amass public opinion, not only in British Columbia, in Alberta and in the prairie provinces, but particularly in the western tier of the United States which, as the hon. member will realize, notably Montana, would profit most from the use of this highway. We happen to be the corridor through which access by land is necessary if two parts of the United States are going to be put together. It seems to me that as a good friend and neighbour of the United States we owe it to them to provide better accommodation for a land connection as equitably as we possibly can. At the same time, I believe we owe ourselves the responsibility of seeing to it that we exploit the advantage we have as far as we possibly can.

Mr. Nielsen: How about negotiations?

Mr. Laing: I am coming to that, if I have time. We have been in negotiation. First of all, the Department of Public Works embarked upon a cost review. They are working on that at the present time. Lately there has been an indication from the United States that they believe that tourism is the future of Alaska. It is quite obvious in discussions that took place here in Ottawa not very long ago with Mr. Udall, that the United States is desirous of making this a comfortable highway for traffic to Alaska. Negotiations through my colleague, the Secretary of State for External Affairs (Mr. Martin), have been begun through the ambassador who is at a comparable level in Washington, to get some idea of their idea of cost sharing. In the meantime we are embarking upon a cost benefit analysis which will be announced very shortly, parallel to the one undertaken by the Battelle institute.

Mr. Deputy Speaker: Order; I regret to inform the hon. minister, but his time has expired.

Motion agreed to and the house adjourned at 10.25 p.m.

HOUSE OF COMMONS

Tuesday, June 2, 1964

The house met at 2.30 p.m.

CANADIAN FLAG

AUDIENCE WITH HER MAJESTY THE QUEEN BY TRANSPORT MINISTER

On the orders of the day:

Right Hon. J. G. Diefenbaker (Leader of the Opposition): Mr. Speaker, would the Prime Minister be willing to tell the house the circumstances under which the Minister of Transport had an audience with the Queen? Was that at the request of the Canadian government, and had it to do with the flag question?

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, the minister was in England on a private visit and, as is quite normal for ministers of the crown, he asked for an audience with the Queen and was granted an audience. He informed Her Majesty of the terms personally, as she had been informed by cable, of the resolution which will be before the house shortly.

Mr. Diefenbaker: Did the Prime Minister tell the premier of Newfoundland that the Minister of Transport was going to London in order to consult with the Queen on this question?

Mr. Pearson: No, Mr. Speaker.

Mr. Diefenbaker: Then, Mr. Speaker, so there will be no mistake about it, I would like to ask the Prime Minister to table the correspondence between himself and Premier Smallwood, and in particular the wire dated May 27 in which Mr. Smallwood received information on this question. I would like to direct the Prime Minister's attention to Premier Smallwood's words. The following is a report appearing in the *Evening Telegram* of May 29:

> Premier J. R. Smallwood told an A.Y.P.A. gathering in St. John's last night—

That was May 28:

> —that the Newfoundland representative in the federal cabinet, transport minister J. W. Pickersgill, was in London Thursday night to see Her Majesty the Queen on the flag issue.
>
> The premier said he was informed of this by Prime Minister Lester B. Pearson.

Mr. Pearson: Mr. Speaker, the Minister of Transport did not go over to London to see the Queen on this or any other matter. He was in London and asked for an audience with the Queen to inform the Queen of the terms of the resolution, as I have just said, which was on the order paper and of which she had been informed by telegram. Surely, Mr. Speaker, that is a normal and courteous procedure to adopt.

Mr. Diefenbaker: That is not an answer to my question, which was whether the Prime Minister told Mr. Smallwood, when he had not told parliament, that the Minister of Transport went over there for the purpose of discussing with the Queen the question of the flag.

Mr. Pearson: I have just said that he did not go over for that purpose.

Mr. Diefenbaker: Did the Prime Minister tell Mr. Smallwood that? The answer is silence.

Mr. Pigeon: Yes or no.

Mr. Woolliams: A supplementary question, Mr. Speaker. I asked a question yesterday—

Mr. Speaker: The hon. member for Lapointe.

[*Translation*]

Mr. Gilles Grégoire (Lapointe): I should like to put a supplementary question, Mr. Speaker—

[*Text*]

Mr. Woolliams: A supplementary question—

Mr. Speaker: Order. I have recognized the hon. member for Lapointe.

Mr. Woolliams: This is a supplementary question in reference to one I asked yesterday.

[*Translation*]

Mr. Grégoire: A supplementary question, Mr. Speaker. Could the Prime Minister tell us whether the union jack constitutes the royal standard of England, Canada, Australia and other countries of the commonwealth or whether the Queen has her own standard and colours?

[*Text*]

Mr. Pearson: Mr. Speaker, the union jack is the royal union standard. The Queen also has a personal standard.

[*Translation*]

Mr. Grégoire: A supplementary question, Mr. Speaker. Could the Prime Minister tell us what other countries of the commonwealth of British nations have provided in their statutes that the union jack could be flown as a symbol of their adherence to the commonwealth of British nations?

[*Text*]

Mr. Pearson: I will have to make inquiries about that, Mr. Speaker.

Mr. Diefenbaker: You certainly will.

Mr. Woolliams: Mr. Speaker, my question is directed to the Prime Minister and is asked in view of his answer to the Leader of the Opposition. Did he have that knowledge yesterday when he answered me and said he did not know why the Minister of Transport went to Great Britain and why he had an audience with the Queen?

Mr. Pearson: I do not yet know why the Minister of Transport went on a private visit to Great Britain.

Some hon. Members: Oh, oh.

Mr. Pearson: Hon. gentlemen may laugh, but the Minister of Transport informed me a week or ten days ago that he would be in Great Britain on private business if that were agreeable to me, and for the days involved I agreed. I suggested that when the Minister of Transport was in England if he wished to have an audience with the Queen on this matter it would be quite proper to do so, and I do not apologize for that at all.

[*Translation*]

Hon. Léon Balcer (Three Rivers): Mr. Speaker, I should like to ask the Prime Minister whether he will take into consideration the statement made by the parliamentary secretary to the Minister of Trade and Commerce who, according to a report published in the June 1 issue of the Sherbrooke *La Tribune*, said the following:

I do not like the idea of two flags.

[*Text*]

Mr. Pearson: I will be glad to take that statement into account, Mr. Speaker.

[*Translation*]

Mr. Réal Caouette (Villeneuve): Mr. Speaker, I should like to ask the Prime Minister a supplementary question. In view of the answers he has just given, could he tell us if the Minister of Transport was sent to London to meet Her Majesty after some kind of consultation had taken place between the Prime Minister of Canada and the premier of Newfoundland, because apparently, during his stay in London the Minister of Transport wishes to obtain the Queen's approval, and this seems to agree so much with what Premier Smallwood will impose or try to impose on the Canadian government?

Did the Prime Minister of Canada have talks with the premier of Newfoundland in anticipation of a consultation between the Minister of Transport and Her Majesty the Queen?

[*Text*]

Mr. Speaker: Order, please. I had hoped that I would not have to refer to this matter again, but I cannot restrict the hon. member for Kootenay West and then allow other hon. members to ask far too long questions. The question which has just been asked, if I may again refer to the reasons I gave yesterday, would seem to conflict with at least three of the new rules; namely, that the question is far too long; that it contains observations which might lead to debate; and it refers to a debate or to answers given to questions during the current session. If I worked diligently I suppose I could find a few other reasons. May I call to the attention of hon. members the fact that we have had a long series of questions. The opportunity to debate this important matter will be given before too long, I suspect, and I would counsel hon. members to phrase their questions in as short a manner as possible and directly to the point.

[*Translation*]

Mr. Caouette: With all due respect, Mr. Speaker, I shall make my question much shorter. Did the Prime Minister of Canada send the Minister of Transport to London after having consulted with the premier of Newfoundland, to achieve the results we have now?

[*Text*]

Mr. Pearson: The premier of Newfoundland had nothing to do with the arrangements regarding the audience of the Minister of Transport with the Queen, nor did he make any effort to have anything to do with them.

Mr. Woolliams: As a further supplementary question, if the Minister of Transport went on private matters would the Prime Minister now disclose to the house whether he went over at government expense or at his own expense?

Mr. Pearson: I cannot answer that. However, I shall be glad to find the answer. The hon. member is asking me questions of detail which he knows cannot be answered at this time, but I will be very glad to find out the answers.

Mr. Diefenbaker: Mr. Speaker, I want the words of this question to the Prime Minister

to come strictly within the rules, as I thought they had earlier. I ask the Prime Minister, in view of Premier Smallwood's statement regarding this matter, also in view of the fact that he said it was an honour that a Newfoundland minister had been chosen for this mission to the Queen, will he table the telegrams that passed between him and Premier Smallwood, his reply being dated May 27, at 10.22 p.m.? Can we also have the telegram from Mr. Smallwood so that we can resolve this apparent dispute or uncertainty as between the views of the Prime Minister and the premier of Newfoundland?

Mr. Pearson: Mr. Speaker, I would be glad to ask Premier Smallwood for permission to table his telegram, and I would certainly be very glad to table my own.

Hon. Michael Starr (Ontario): Mr. Speaker, may I direct a question to the Prime Minister and ask him can he tell us whether the Minister of Transport made this trip on a commercial flight or whether he used one of the government's planes.

Mr. Pearson: The Minister of Transport will be in the house tomorrow and he will be able to answer this.

Mr. Diefenbaker: A man on a mission.

[*Translation*]

Mr. Grégoire: Mr. Speaker, I wish to direct a supplementary question to the Prime Minister. Can he tell us whether, before the passage of the resolution respecting the Canadian flags, we will have to rescind the order in council of 1945 respecting the red ensign?

[*Text*]

Mr. Pearson: We will be able to deal with these questions when the resolution is debated. On the point just raised by the Minister of Labour and others in regard to the method—

Some hon. Members: Hear, hear.

Mr. Pearson: This just shows my continuing regard for the hon. gentleman. In regard to the curiosity displayed as to whether the Minister of Transport paid his own fare, I have just been informed that the Minister of Transport went to England by T.C.A. commercial flight, accompanied by his wife and daughter. He will be returning alone today. He bought his own tickets and the visit had been arranged some time ago, long before the question of the Queen's audience arose. I hope my hon. friends' curiosity into the affairs of the Minister of Transport is now satisfied.

Mr. Diefenbaker: Mr. Speaker, now that we have that information, could the Prime Minister pass it on to Mr. Smallwood, who claims great honour was done to Newfoundland in having a Newfoundland minister chosen?

Mr. Pearson: Mr. Speaker, I think it is more important to pass it on to my right hon. friend.

Mr. Pigeon: As a supplementary question—

Mr. Speaker: May I ask the hon. member what the supplementary will be on? It seems to me the matter has been debated at length.

[*Later:*]

[*Translation*]

Mr. L. J. Pigeon (Joliette-L'Assomption-Montcalm): On the flag issue, Mr. Speaker, I wish to ask the Prime Minister a question. If the Prime Minister refuses to split his resolution on the flags and if his motion is defeated by a majority of members, can he tell the house—

[*Text*]

Mr. Speaker: Order. This question was asked yesterday; therefore it is repetitious and out of order.

[*Translation*]

Mr. Marcel Lessard (Lake St. John): Mr. Speaker, I should like to direct a question to the Prime Minister. Can he tell the house on what occasion he thinks the Canadian government will hoist the union jack on its buildings? In what circumstances will the union jack be raised here in Canada?

[*Text*]

Mr. Pearson: Mr. Speaker, I will be glad to do that when the resolution is debated. It is quite obvious these questions are out of order now.

USE OF OTHER NATIONAL EMBLEMS ABROAD

On the orders of the day:

[*Translation*]

Mr. Réal Caouette (Villeneuve): Mr. Speaker, my question is directed to the Prime Minister. At this time when there is more and more talk about national emblems, we are getting in the mail here, in parliament, from an organization whose name I do not know, literature telling us about another national emblem, that is the Eskimo ookpik. I quote:

[*Text*]

> This wise but humorous little character has been adopted by the government of Canada as one of its emblems, and is rapidly becoming established as a symbol of Canada.

[*Translation*]

Is it true that, to make matters worse, another national emblem will represent us at Philadelphia in the United States?

[*Text*]

Mr. Speaker: Order, please. Under the rules given to me a question should not inquire whether statements made in a newspaper are correct.

FLOODS

BRITISH COLUMBIA—POTENTIAL DANGERS ON SKEENA RIVER

On the orders of the day:

Mr. Frank Howard (Skeena): Mr. Speaker, I wonder if I could divert the government's attention to something a bit more important, and ask the Minister of Northern Affairs and National Resources whether his attention has been drawn to the fact that the Skeena river is at least approaching the levels of the 1948 flood; that it is flooding in the Bird's lake area; that some bridges are in danger of being washed out by potential floods, not only there but in other parts of B.C.; and may I ask the minister if he would use his good offices to work in conjunction with the provincial government to prevent any disaster occurring in that entire area.

Mr. Speaker: Order, please. Yesterday we had a question on the Fraser river and it was allowed because it was very urgent and I understood the flood conditions could be quite serious. This question does not seem to have the same urgency. Would the hon. member put it on the order paper?

Mr. Howard: It has precisely the same urgency, because the lives and property of people are involved in the flooding of the Skeena river just as dangerously as in the flooding of the Fraser river in 1948.

Mr. Speaker: Would the hon. member put it on the order paper; and may I quote the rules of the house which have been furnished to me, and of which the hon. member must know?

Mr. Howard: I must decline your invitation to put it on the order paper, Mr. Speaker.

LABOUR RELATIONS

GREAT LAKES—NATIONALITY OF S.I.U. NEGOTIATORS

On the orders of the day:

Hon. Michael Starr (Ontario): Mr. Speaker, I should like to address a question to the Minister of Labour. In the present negotiations between the S.I.U. and the shipping companies operating on the great lakes, are all those who are negotiating on behalf of the S.I.U. Canadians?

Hon. A. J. MacEachen (Minister of Labour): Mr. Speaker, I will be glad to make inquiries and advise my hon. friend.

[Mr. Caouette.]

AIR CANADA

WINNIPEG MAINTENANCE BASE—REMOVAL NOTICE TO EMPLOYEES

On the orders of the day:

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I direct a question to the Prime Minister. Is the Prime Minister aware that Air Canada has given notice to a number of its employees at Winnipeg that by June 4 they must choose between transferring to Dorval and forfeiting their seniority rights? Is this in keeping with the undertaking given by the Prime Minister that the employees would not be forced to move?

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, I have no information to that effect but I will look into the matter immediately.

POST OFFICE DEPARTMENT

USE OF MAILS FOR DISSEMINATION OF RACIAL DISCRIMINATION LITERATURE

On the orders of the day:

Mr. Barry Mather (New Westminster): Mr. Speaker, I should like to ask the Postmaster General a question. Is the Postmaster General aware of the fact that a new batch of what we commonly call hate literature has arrived in Ottawa and is being circulated to members of this house, postmarked Winnipeg, and seeking among other things to vilify the Prime Minister by linking him with an alleged international plot to have alien troops occupy Canada? I have the material here.

Hon. J. R. Nicholson (Postmaster General): Mr. Speaker, my hon. friend gave me notice of this question but I must say I have received no such literature. I have made inquiries and my department has received no such literature. If my hon. friend or any other member of the house has any such literature and will send it and the envelope or container in which same was mailed to me or my department, we will look into the matter.

INDUSTRY

CONSTRUCTION OF PULP MILL IN CANADA BY YUGOSLAVIAN FIRM

On the orders of the day:

Mr. T. C. Douglas (Burnaby-Coquitlam): Mr. Speaker, may I direct a question to the Minister of Industry. Is the Export Credits Insurance Corporation contemplating making an advance of some $21\frac{1}{2}$ million to a Yugoslavian firm for the construction of a $40 million pulp mill in Canada?

Hon. C. M. Drury (Minister of Industry): Mr. Speaker, the Export Credits Insurance Corporation reports to parliament through the Minister of Trade and Commerce, and I would refer the question to him.

Mr. Douglas: May I direct the question to the Minister of Trade and Commerce.

Mr. Speaker: Would the hon. member put the question on the order paper?

Mr. Douglas: This is not a detailed question, Mr. Speaker. I am simply asking for a yes or no with respect to whether such an advance is under consideration.

Hon. Mitchell Sharp (Minister of Trade and Commerce): Mr. Speaker, negotiations have been going on for some time between the Yugoslavian government and the Canadian government with respect to the financing of a pulp mill. I am not quite certain at what stage the negotiations now stand.

POWER

PEACE RIVER—AUTHORITY FOR FLOODING BEHIND DAM

On the orders of the day:

Mr. H. W. Herridge (Kootenay West): Mr. Speaker, I have a question of great urgency to the conservationists of British Columbia because they are interested in what the federal minister's decision will be, and I address it to the Acting Minister of Transport. Has the B.C. hydro and power authority asked the minister for his approval for the flooding of the reservoir behind the Peace river dam without the removal of forest growth and vegetation except for the partial clearing of certain channels necessary to meet the requirements for very limited navigation?

Mr. Speaker: Order. This seems to me an ideal question for the order paper.

Mr. Herridge: I should like to expand on it at ten o'clock, Mr. Speaker.

AGRICULTURE

REPORTED DEPLETION OF FARM CREDIT LOAN FUND

On the orders of the day:

Mr. A. D. Hales (Wellington South): Mr. Speaker, my question is directed to the Minister of Agriculture. Is it a fact that the Farm Credit Corporation is refusing to grant loans because the fund is depleted?

Hon. Harry W. Hays (Minister of Agriculture): No, this is not correct.

SOYBEANS AND SUGAR BEETS—REQUEST FOR ANNOUNCEMENT OF SUPPORT PRICES

On the orders of the day:

Mr. H. W. Danforth (Kent, Ont.): I should like to direct a question to the Minister of Agriculture. I wonder whether the hon. gentleman is now in a position to answer my question, taken as notice by the parliamentary secretary on April 9, regarding 1964 support prices for soybeans and sugar beets which are now planted.

Hon. Harry W. Hays (Minister of Agriculture): I can probably answer the question now. As far as soybeans are concerned, we have not crossed that bridge as yet. We hope to do so very soon. As far as sugar beets are concerned, the government will be supporting them at $13.72 a ton, the same as in the last few years.

EGGS—STEPS TO IMPROVE REPORTED LOW PRICES

On the orders of the day:

Mr. A. D. Alkenbrack (Prince Edward-Lennox): Mr. Speaker, my question is for the Minister of Agriculture. Last week eggs sold in Napanee for 21 cents a dozen. What is the minister doing to improve the ridiculously low price for this product now being produced at far below cost by the poultrymen of Canada?

Hon. Harry W. Hays (Minister of Agriculture): Mr. Speaker, we have a stabilization board, with which I am sure the hon. member must be very familiar, which supports eggs at 34 cents a dozen. I would suppose that in this case if these people keep their tickets they will be receiving a deficiency payment when the year is completed. It might be of interest to hon. members to know that last year the price of eggs was very, very high and consequently the demand for chicks was also high. In some provinces we had a 30 per cent increase in poultry, hence the large amount of eggs. But we do have a support program at 34 cents a dozen, and I suppose these people will be receiving a deficiency payment.

Mr. A. D. Hales (Wellington South): Mr. Speaker, would the Minister of Agriculture advise the house whether he has given any consideration to paying these deficiency payments on a quarterly basis?

Mr. Hays: We have been considering this, Mr. Speaker, but no decision has been made.

CANADIAN BROADCASTING CORPORATION

SYDNEY, N.S.—USE OF "MAPLE LEAF FOREVER" BY LOCAL STATION

On the orders of the day:

Inquiries of the Ministry

Mr. Robert Muir (Cape Breton North and Victoria): May I pose a question to the minister who reports to the house for the C.B.C. Yesterday morning between six and six thirty I listened to radio station CBI, the C.B.C. station at Sydney, Nova Scotia, at which time they commenced their programming with the playing of a song entitled "The Maple Leaf Forever". May I ask the minister if this song has been adopted by the C.B.C. as a new national anthem?

Mr. Speaker: Would the hon. gentleman put this question on the order paper.

REQUEST FOR SHOWING OF FILM RESPECTING PRIME MINISTER

On the orders of the day:

Mr. D. M. Fisher (Port Arthur): I wanted to ask the Secretary of State a question, Mr. Speaker, arising out of the decision of Intervideo Productions to screen a slash print of the Pearson story next week in Ottawa at Crawley Films. I wanted to ask the minister if he would consider asking the C.B.C. if it would show one of the good prints of this particular film to parliamentarians at approximately the same time, so we could see this film at its best and get a better idea as to the decisions that were taken in regard to it.

Hon. Maurice Lamontagne (Secretary of State): I will put the request of the hon. member to the C.B.C. and advise him later.

Mr. Erik Nielsen (Yukon): I have a supplementary question for the Prime Minister. I had considered raising it as a question of privilege, but perhaps this is as good a place as any to raise it. The Prime Minister will recall that on May 21 he indicated to the house that he had not previewed the film in question in his office. Last night his parliamentary secretary, when answering a question raised by the hon. member for Port Arthur at the adjournment, had this to say as reported on page 3829 of *Hansard*:

> On two occasions the Prime Minister himself was present; the first was in December in Toronto, to see the earliest assembled version, and the second was in Ottawa after substantial editing but without the advantage of a sound track.

Can the Prime Minister now say whether or not he saw the film in his office in Ottawa, and if not where he did see it in Ottawa?

Right Hon. L. B. Pearson (Prime Minister): I did not see it in my office. I saw it in Toronto at a studio, and it was shown in an office in the east block. I saw part of it there but the sound track was so bad I left after a few minutes because it could not be understood.

Hon. Paul Martineau (Pontiac-Témiscamingue): I have a question supplementary to the previous question asked of the Prime Minister. I was wondering if, as a sophisticated critic of art, he would tell us what he thought of the film "Mr. Pearson" when he saw it?

Mr. Pearson: I found it exceedingly interesting, Mr. Speaker.

Mr. Diefenbaker: Revealing?

REPORTED SMALL CANADIAN COVERAGE IN NEWS BROADCASTS

On the orders of the day:

[*Translation*]

Mr. Réal Caouette (Villeneuve): Mr. Speaker, may I direct a question to the Secretary of State?

I appreciate that he has nothing to do with the C.B.C., but I would like to know if there are any reasons why, for example, the C.B.C., on its nightly television news, gives us about five minutes of Canadian news and ten minutes of foreign or international news. Would it not be possible for the Secretary of State to suggest, at least, even if he is not responsible for the C.B.C., that we get Canadian news over the C.B.C. network?

[*Text*]

Mr. Speaker: Would the hon. member put this question on the order paper.

[*Translation*]

Mr. Caouette: Mr. Speaker, I think the Secretary of State was ready to answer my question.

Would you allow him to do so?

Hon. Maurice Lamontagne (Secretary of State): Mr. Speaker, all I have to say is that I shall be very glad to pass on to the C.B.C. the views of the hon. member, and I shall inform him of their answer.

[*Text*]

EXTERNAL AFFAIRS

SOUTHEAST ASIA—POSSIBLE CHANGE IN CANADA'S COMMITMENTS

On the orders of the day:

Right Hon. J. G. Diefenbaker (Leader of the Opposition): When the Prime Minister was in New York on the week end, according to the press he discussed with President Johnson the functions of the Canadian truce teams in Laos, Cambodia and South Viet Nam. Would the Prime Minister be prepared to tell parliament whether there is in contemplation any further authorization or enlargement in the functions of the truce teams; and was there any discussion or consideration given to the enlargement of Canada's role or any new commitment contemplated for Canada in this area?

Right Hon. L. B. Pearson (Prime Minister): No, Mr. Speaker, there is no consideration being given to the enlargement of Canada's role in that area, nor was this matter discussed in the talks I had with the President in New York. The President did bring up the question of Southeast Asia, which is a very serious area in terms of peace and security, and at the same time expressed a hope that we would be able to get our new commissioner out to Viet Nam with a minimum of delay. The Canadian representative on the commission left Viet Nam some weeks ago. He was to have been replaced by a senior officer of the department, but that officer's wife took seriously ill and this postponed his departure. The President expressed the hope that a Canadian would be out there as soon as possible, and I think the new commissioner has left for Viet Nam today.

PRIVILEGE

MR. LANGLOIS—USE OF FRENCH AT DORVAL AIRPORT RESTAURANT

On the orders of the day:

Mr. Raymond Langlois (Mégantic): I rise on a question of privilege. I had intended to bring up this matter on the orders of the day, but in view of the nature of the subject I now think it is more fitting to raise it as a question of privilege. It was to have been addressed to the Minister of Transport but in his absence I will address it to the Prime Minister in order that the departmental officials may correct the situation now.

[*Translation*]

My question of privilege is in reference to a crown corporation, more especially Air Canada. I received yesterday by mail a letter from Mr. Roger Laplante, 80 Bennett street, Thetford Mines, Que., who in the evening of May 16, stopped at the Dorval airport and went to the dining room called "Le boulevardier". He then ordered a meal for himself and his family and, after having greeted the waitress, he simply asked her whether she spoke French. This is what she answered:

[*Text*]

"No, sir. I am sorry. We can serve in any other languages but French. We have no use for it here."

[*Translation*]

I would ask the Prime Minister to see that unfortunate incidents of this kind be avoided in the future, not only for this gentleman and his family, but also for all those who might receive similar answers. Could the Prime Minister also suggest to this person to make sure that such incidents are never repeated?

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, I shall inquire about this matter and give the hon. member an answer soon, I hope.

[*Text*]

MR. WINCH—REFERENCE TO FLAG BY MEMBER FOR JOLIETTE-L'ASSOMPTION-MONTCALM

On the orders of the day:

Mr. Harold E. Winch (Vancouver East): I rise on a question of privilege. I know that according to normal procedure a question of privilege should be raised at the time it occurs. The matter to which I refer occurred last night between ten and ten thirty, during which period we operate rather strict rules, so this is my first opportunity, as I see it, to rise on a question of privilege with regard to it. It is something which I cannot ignore.

I wish to draw to your attention, Mr. Speaker, a statement made in this house after ten o'clock last night by the hon. member for Joliette-L'Assomption-Montcalm (Mr. Pigeon). It is to be found reported in *Hansard* on page 3827 in the left hand column, almost the last paragraph. It reads:

> Mr. Speaker, personally I object entirely to the inclusion of either the union jack or the red ensign in any bill for, in my opinion, both flags represent imperialism and foreign domination.

Sir, I may be a sentimentalist, but I wish to rise on a question of privilege and say this; that we have been living under a flag for many years and developing our country under that flag for many years—

Mr. Caouette: Which flag?

Mr. Winch: The red ensign.

Some hon. Members: Hear, hear.

Mr. Winch: —and for a member of this house to get up in his place and say that this flag—until we have a new one, perhaps—is representative of imperialism and the domination of our country is, in my opinion, entirely wrong because it is completely untrue; it is false; it is despicable, and I think any man who would say that, in this House of Commons, requires psychopathic treatment.

Some hon. Members: Hear, hear.

[*Translation*]

Mr. L. J. Pigeon (Joliette-L'Assomption-Montcalm): Mr. Speaker, as far as the question of privilege is concerned, I wish to make it clear that I gave my personal opinion according to my own convictions and conscience. If I offended some hon. members, I beg their pardon, but I wish to repeat that I maintain my statement.

I would not like anyone to think that I intended in any way to offend the feelings

of any hon. member who is not in agreement with my opinion. This is a democracy, we have a bill of rights and if I made such a statement, I assume the whole responsibility and I would not like any other hon. member of the house to take offence at the statements I made.

[*Text*]

Mr. Speaker: Order, please. These matters are highly emotional and they are charged with feeling. I do not think the Chair should try and improve the atmosphere at the moment, except to say that we have a lot of important business before the house and I suggest that we get on with it.

TRANSPORT

MONTREAL—REQUEST FOR REMOVAL OF TRACKS

On the orders of the day:

[*Translation*]

Hon. Léon Balcer (Three Rivers): Mr. Speaker, I should like to direct a question to the Minister of Public Works.

Since I had the pleasure of listening to him on television Sunday, although, unfortunately, I missed a portion of his speech, I should like to ask him if within a few months the problem of the railway in Montreal East is not settled, he still intends to submit his resignation as Minister of Public Works?

Hon. J. P. Deschatelets (Minister of Public Works): Mr. Speaker, my hon. friend from Three Rivers seems concerned. However, in order to put his mind at ease, I shall tell him that the consideration of that problem is getting along very well and we think that we can find a solution. I also take this opportunity to say that the management of the C.N.R., of which Mr. Gordon is president, showed a lot of understanding in looking for a solution.

For the benefit of the former minister of transport, could I add that it is a problem that could very well have been settled over six years ago?

Mr. Balcer: Unfortunately, the hon. member for the riding in that district of the city of Montreal has never resigned.

[*Text*]

INQUIRY OF THE MINISTRY

On the orders of the day:

Mr. R. N. Thompson (Red Deer): My question is directed to the Secretary of State. In view of the fact that today's press carries an announcement that Sir Guy Powles, the New Zealand ombudsman, will be visiting Canada in September to address the Canadian Bar Association, would the minister consider inviting him to Ottawa in order that he might discuss a similar topic with the committee on privileges and elections?

Some hon. Members: Order paper.

CROWN ASSETS

MANITOBA—DISPOSITION OF FORMER RADAR STATION SITES

On the orders of the day:

Mr. Robert Simpson (Churchill): I should like to direct a question to the Minister of Industry. I wonder if the minister could inform the house whether any decision has been made in relation to the possible disposal of the sites at Cranberry Portage and Bird, Manitoba, which were formerly occupied by installations of the mid-Canada radar line.

Hon. C. M. Drury (Minister of Industry): We have been holding discussions with representatives of the government of Manitoba in an effort to make the most beneficial use of these sites now being given up by the Department of National Defence. No final decision has yet been reached.

Mr. Simpson: Has any offer been made to turn these sites over to the Manitoba government?

Mr. Drury: We are not negotiating on a basis of firm offers. This is a discussion with the object of putting this land to the most advantageous use.

CANADIAN CONSTITUTION

REPORTED REMARKS BY CANADIAN HIGH COMMISSIONER TO U.K.

On the orders of the day:

[*Translation*]

Mr. Maurice Côté (Chicoutimi): Mr. Speaker, may I direct a question to the right hon. Prime Minister?

Following this statement made at Lennoxville last Sunday by Hon. Lionel Chevrier, as reported in *Le Devoir* of June 1, 1964:

> If we want our two linguistic groups to cooperate satisfactorily, we will some day have to amend the constitution.

Could the Prime Minister tell the house whether those views reflect the intention of his government and, if so, if that objective will soon be reached?

[*Text*]

Mr. Speaker: These are statements made by private individuals outside the house, and it seems to me such questions are out of order at this time.

LABOUR CONDITIONS

PROVISION FOR UNEMPLOYED NOT RECEIVING UNEMPLOYMENT INSURANCE OR SOCIAL ASSISTANCE

On the orders of the day:

[*Translation*]

Mr. Lucien Plourde (Quebec West): Mr. Speaker, may I ask the Minister of Labour a question?

What does the Minister of Labour intend to do for the unemployed getting no unemployment insurance or social assistance?

[*Text*]

Mr. Speaker: While the question is very interesting, it certainly raises a matter far too large for the hon. member to expect an answer on orders of the day.

[*Translation*]

Mr. Plourde: Mr. Speaker, may I transfer my question for debate at ten o'clock this evening?

[*Text*]

QUEBEC—STEPS TO PROVIDE WORK FOR UNEMPLOYED

On the orders of the day:

[*Translation*]

Hon. Théogène Ricard (St. Hyacinthe-Bagot): Mr. Speaker, I should like to direct a question to the Secretary of State for External Affairs.

Does the minister have a few projects which he could submit to his colleague, the Minister of Labour (Mr. MacEachen), in order to provide work for the 150,000 unemployed in the province of Quebec?

[*Text*]

Mr. Speaker: Would the hon. member put this question on the order paper.

HEALTH AND WELFARE

VANCOUVER—REPORTED CONTAMINATION OF MILK SUPPLY

On the orders of the day:

Mr. T. C. Douglas (Burnaby-Coquitlam): Mr. Speaker, I have wanted for some days to ask a question of the Minister of National Health and Welfare. I recognize that she is still convalescing, so I would like to ask the question of her parliamentary secretary, who probably could take it as notice.

An hon. Member: He is convalescing too.

Mr. Douglas: I would like to ask the government if they will give some information to the house and the country as to what action is being taken with reference to the fact that the milk supply in the city of Vancouver has now reached a serious stage of pesticide contamination, to the point that a great many citizens are apprehensive and are not sure whether they should continue to allow their children to drink from the milk supplies in that city.

Mr. J. C. Munro (Parliamentary Secretary to Minister of National Health and Welfare): Mr. Speaker, I would like to take the question as notice, if the hon. member will agree, and I will try to give him an answer tomorrow.

EARTHQUAKE DAMAGE

CLAIMS ON DISASTER FUND BY FEDERAL AGENCIES

On the orders of the day:

Mr. G. L. Chatterton (Esquimalt-Saanich): Mr. Speaker, I would like to ask a question of the Minister of Northern Affairs and National Resources. Is the minister aware that a federal government agency, namely the Port Alberni harbour commission, has made a claim of some $55,000 on the disaster fund; and if so, is the government considering increasing its grant so there will be no danger of federal agencies taking money that should rightly go to private people who suffered from the tidal wave?

Mr. Speaker: It seems to me this is a question for the order paper.

BUSINESS OF THE HOUSE

REQUEST FOR EARLY CONSIDERATION OF BILL S-26

On the orders of the day:

Mr. Thomas M. Bell (Saint John-Albert): Mr. Speaker, I have a question for the Prime Minister with respect to Senate Bill No. S-26 introduced yesterday, concerning the Roosevelt-Campobello park. Will the government give consideration to moving this bill forward quickly, because similar legislation has been passed in the United States; it is non-controversial and it would be a help to have this program ready before summer. I ask this question because it appears it is going to be a long summer if we are to deal with all these other matters, and the Minister of Transport is the only one who has had a holiday.

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, the minister's holiday was a short one and I hope the rest of us will get a longer one. But in view of the fact that it is likely to be a long summer, I hope we can get this non-controversial bill through quickly and at an early date.

Inquiries of the Ministry

PUBLIC WORKS

NOVA SCOTIA—REQUEST FOR RECONSIDERATION OF HARBOUR PROJECTS

On the orders of the day:

Mr. Donald MacInnis (Cape Breton South): Mr. Speaker, I have a question for the Minister of Public Works. In view of the statements made over the week end by the Minister of Labour in reference to the step-up in public works projects throughout Nova Scotia, would the minister take into consideration reactivating the projects in Cape Breton South, especially those concerning harbours?

Mr. Speaker: Would the hon. member put this question on the order paper. I realize its importance, but it is a question for the order paper.

ROYAL CANADIAN AIR FORCE

OTTAWA—U.S. PARTICIPATION IN AIR FORCE DAY

On the orders of the day:

Mr. Erik Nielsen (Yukon): I have a question for the Minister of National Defence, who I see has just stepped out of the chamber, sir. It arises out of information I have received in connection with the air force day program this Saturday at station Rockcliffe. Can the minister inform the house whether any arrangements have been made, either by his department or by the government, for participation in the proceedings on air force day this coming Saturday; because we are told that the majority of that participation is to be by personnel and equipment of the United States air force rather than the Canadian air force.

Hon. Lucien Cardin (Associate Minister of National Defence): Mr. Speaker, I would prefer to take that question as notice and answer it tomorrow.

Mr. Nielsen: We will have no more air force then.

GRAIN

PRINCE RUPERT, B.C.—INCREASE IN ELEVATOR CAPACITY

On the orders of the day:

Mr. Frank Howard (Skeena): Mr. Speaker, I wonder whether I can direct a question to the Minister of Agriculture. In order that we might have in the city of Prince Rupert a brand spanking new edifice over which to fly our national flag, can the minister announce when he will authorize the expansion of the grain elevator facilities there?

Hon. Harry W. Hays (Minister of Agriculture): Mr. Speaker, we still have this under very serious consideration.

[Mr. Pearson.]

ROYAL VISIT

POSSIBLE CANCELLATION DUE TO BRITISH ELECTION

On the orders of the day:

[*Translation*]

Mr. Gilles Grégoire (Lapointe): Mr. Speaker, yesterday afternoon I put a question to the Prime Minister and he replied that he would get the necessary information. I asked him if, in the event of a general election in England next fall the Queen would be prevented by regulations or protocol from coming to Canada.

[*Text*]

Mr. Speaker: It seems to me that this question is completely out of order.

HOUSING

REPORTED DECREASE IN CONSTRUCTION IN ATLANTIC AREA

On the orders of the day:

Mr. H. Russell MacEwan (Pictou): Mr. Speaker, I have a question for the Postmaster General, who reports to parliament for Central Mortgage and Housing Corporation. I want to ask the minister whether he has any plans for amendments to the National Housing Act which will be placed before parliament, in view of the report of the corporation that housing construction in the Atlantic area has decreased 23 per cent so far this year compared with last year. If not, I wonder whether the minister would ask the officials of C.M.H.C. to look into this matter, which is one which provides so much employment for that area.

Hon. J. R. Nicholson (Postmaster General): Mr. Speaker, in answer to the hon. gentleman's first question may I say that the proposals which the government have to lay before the house are incorporated in a resolution on the order paper. With regard to the second part of his second question, I will be glad to look into the matter.

BRIDGES

AUTHORIZATION OF CONSTRUCTION BETWEEN STE. FOY AND ST. NICOLAS, QUEBEC

Hon. J. P. Deschatelets (Minister of Public Works) moved the second reading of Bill No. S-21, to authorize the construction and maintenance of a bridge across the St. Lawrence river between the city of Ste. Foy, in the county of Quebec and the municipality of St. Nicolas, in the county of Lévis, both in the province of Quebec.

[*Translation*]

He said: Mr. Speaker, this is a bill authorizing the construction and maintenance of a bridge over the St. Lawrence river, between the town of Ste. Foy, in the county of Quebec, and the municipality of St. Nicolas, in the county of Lévis.

This bridge will be situated very near to the present Quebec bridge, perhaps a thousand feet up the river from the present bridge. The purpose of this bill is to comply with the Navigable Waters Act, which requires an act passed by parliament. If hon. members will pass this bill, I can assure them that the work will not begin until the plans and specifications have been examined by the experts of the Department of Public Works and the Department of Transport. If, after examination of those plans and specifications, no impediment to navigation is found, an order in council will be passed so as to permit the province of Quebec to proceed with building the bridge.

The same procedure was followed, a few months ago, with regard to the Boucherville bridge, and I do not think it necessary to add any further detail at this stage, because this is just an authorization. It will not cost the Canadian government a single cent, for either the construction or the maintenance of that bridge. This is simply to give an authorization, and if hon. members want further information about this matter, I shall be happy to give it to them when we reach the committee stage.

Hon. Léon Balcer (Three Rivers): Mr. Speaker, I am glad, on behalf of the official opposition, to give my support to the proposal just put before the house by the Minister of Public Works (Mr. Deschatelets).

Under the Navigable Waters Protection Act, all works carried out on or above the St. Lawrence river must be approved either by the Department of Public Works or the Department of Transport. Such approval takes the form of an order in council passed by the Canadian government.

As pointed out by the Minister of Public Works, the bridge will be parallel to the present Quebec bridge. The tremendous increase in traffic in that area has made it absolutely necessary to build this new bridge, and I believe it will be of very great service to the people.

Of course, that decision rests with the provincial government and I am not in a position to discuss the amounts that will be spent by the provincial government for those various undertakings.

However, I hope that the Minister of Public Works, when the various clauses of the bill are under consideration, will be able to give us information of interest to the federal authorities because, in short, the responsibility of the federal government is to make sure that nothing will interfere with navigation or ice movements.

Moreover, I understand that it is a suspension bridge. In my opinion, it is most important to know if piers will be built in the St. Lawrence river, and if they will be located in the channel of the river. Moreover, it must be known also if those piers could eventually delay the normal flow of ice or create ice-jams. As a matter of fact, the minister might tell us if the construction of that bridge will entail the services of an icebreaker during the winter months.

We know that at the present time there is an icebreaker in service in Quebec harbour. The job of that icebreaker is to make sure that there are no jams around the piers of the Quebec bridge so that the bridge is not affected by the ice. I hope the minister will be in a position to give us that information a little later.

Mr. Speaker, there is another matter which I do not wish to labour very long, but in which I am greatly interested. I refer to a bridge spanning the St. Lawrence river and built by the provincial government.

Just recently, I had the opportunity to be present at the formal beginning of the construction of the Three Rivers bridge, a most important bridge, since it links the most important city in Canada to the south shore.

Mr. Grégoire: Order.

Mr. Balcer: Well, unfortunately, last Saturday *La Presse* published an article on the bridge at Three Rivers, in which Mr. Gérard Pelletier, the chief editor, asked the provincial authorities very pertinent questions which, I hope, will soon get a reply.

As my hon. friend for Lapointe (Mr. Grégoire) was so happy to point out, I am out of order. Consequently, I shall say nothing else about the bridge at Three Rivers, which will cost $35 million I believe. However, I should like to ask the minister to tell us later on this afternoon the approximate cost of those works and the date of their completion, if he has that information.

Mr. Deschatelets: In committee.

Mr. Balcer: I do not wish to insist, but I hope we will get that information.

Mr. Guy Marcoux (Quebec-Montmorency): Mr. Speaker, it was only to be expected that the hon. member for Three Rivers (Mr. Balcer) would congratulate the government which will do for the Quebec area what it has done lately for the Three Rivers area.

However, in spite of the fact that this problem does not come under our jurisdiction, since part of the bridge will be situated in the Quebec-Montmorency constituency—in the bill, Quebec is probably mentioned because it refers to a provincial constituency, but the federal riding is Quebec-Montmorency—and since especially the mayor of Lévis mentioned some time ago and has repeated quite often since that the project is absolutely fantastic and ridiculous, I wonder whether we should not try to stop it.

However, that is none of our business, and it will be up to the people of the province of Quebec to judge the actions of the provincial government.

That bridge is located only a few hundred feet from the present Quebec bridge. The purpose of building that bridge is to alleviate traffic, but its approaches will be those now used for the Quebec bridge. Mr. Speaker, I wonder really what the provincial authorities were thinking about when they decided on building that bridge which, no doubt, will afford better facilities to cross the river, but people will not be able to use it because traffic before reaching the bridge will be too heavy during rush hours.

A few years ago the Quebec board of trade as well as other organizations prepared a brief in which it stated that the best way to alleviate traffic to and from Quebec would not be to improve the situation on and around the Quebec bridge, nor to build a tunnel between Lévis and Quebec city; it would be better to build a bridge more to the east, that is between the island of Orleans and the municipality of Beaumont which is located on the other side of the river. That would make it possible to solve the traffic problem for the people coming from the lower St. Lawrence region who want to cross at Quebec city to go to Chicoutimi, the Saguenay area or the north shore. That would also enable the people coming from the Saguenay area or the north shore who want to go to Gaspe or the south shore, to get there directly, without having to go right through Quebec city to its western limits in order to take a bridge that will not be more efficient than the first because of its access roads.

Mr. Speaker, we do not want to stop this bill because the federal government has simply to make sure that the new bridge will not interfere with navigation in any way, will meet all the requirements of the Department of Transport and will not interfere either with the free flow of ice in winter.

If all those conditions are met, of course we will accept it. But since a part of this bridge will be in my riding—and even if it had been logically placed between Orleans island and Beaumont on the south shore, it would also have been in my riding—and as I am very much interested in this question, I want to point out, that in my opinion, the purpose which was stated by the provincial authorities is quite wrong. And I know, from a very reliable source, that some people bought land in the neighbourhood of the proposed bridge and that they will be in a position to sell those lots for the construction of the bridge, a thing which they would not be able to do if it were built on the east side of Quebec city.

I shall quote, once more, the statements of the mayor of Lévis, to the effect that it is absurd to build a bridge near the other one, because they would be too close, and also because the second one would lead to a municipality much less important, St. Romuald—I understand that, like for the city of Three Rivers, it is for its inhabitants the greatest city in the world, but on the south shore, the economic complex actually surrounds the city of Lévis. Besides, that is the opinion of the mayor of Lévis who feels he is managing one of the largest cities on the south shore. However, as far as I am concerned, I would go much farther to the east, that is between Orleans island and Beaumont. The bridge would then achieve the specific purpose for which it is being built.

Once again, I want to call your attention to the fact that individuals may have bought land near the site of the proposed bridge in order to take advantage of the sale of those lots. Indeed, can any level-headed person imagine the reasons for the construction of a bridge about 1,400 feet west of the first one. If any one can think of a good reason, I would be glad to hear it, and to admit that this project is sensible.

Mr. Caouette: Political patronage.

[*Text*]

Mr. D. M. Fisher (Port Arthur): Mr. Speaker, the hon. member who has just finished speaking is interested in this from a constituency point of view and I, and I am sure my colleagues, were interested in the matters he raised. He reminded us, as did the preceding speaker, of the question of the Three Rivers bridge and of the doubts that were put in our minds by some of the information we got last session about the costs to the federal government, and of the repairs to ensure that navigation was possible.

It is quite apparent that this is not a money bill in any sense; that it is just enabling legislation, and that all it does is protect the federal interest, but I am rather shocked that the hon. member indicated that property buying was taking place. It almost sounds as though the bad old days are back in Quebec.

Under the new regime of purity and magnificence it is almost unbelievable that this kind of thing would go on.

Mr. Pigeon: Patronage.

Mr. Fisher: I cannot believe that there is any patronage in Quebec any more, not with the government of Jean Lesage. That is one of the reasons I feel it is most unfortunate that the hon. member raised this, because in a way it is irrelevant to the bill but it does cast a bit of a slur on this great government of Jean Lesage, incorruptible and set off on a new course in Quebec provincial politics.

The hon. member for Lapointe tells me Lili St. Cyr is no longer there but that there still is patronage. Actually Lili St. Cyr was a foreign element, and I am sure patronage is also a foreign element under the great government of Jean Lesage. The predictions concerning this bill are that federal jurisdiction and federal responsibility will not come under any particular difficulty or strain, always remembering of course that so far as the Three Rivers bridge was concerned, depending which argument you supported, the federal government might have responsibility for up to $60 million as a result of something that had been entered into by the federal Department of Transport.

We are going to support this bill, Mr. Speaker, but we confess that we do not know a great deal about the implications that are involved, as referred to by the hon. member in whose riding it is going to be built. These definitely raise certain doubts in our minds which I hope the minister can allay. If, as the mayor of Lévis has said, this is a ridiculous and silly kind of business, the minister should let us have his reactions to this. He should tell us whether he is approaching it simply from the point of view that the province is within its rights to ask for this, and ours is not to ask the reason why but to do or die. I take it that is his attitude. If he gives us the assurance that the insurance provisions of the bill are adequate, we are prepared to support it.

It seems to me there is really not much more one can say in this kind of thing except to make certain that the engineers of the federal government have looked at the situation and have ascertained that the provincial government cannot get involved in some kind of projection that will cause navigation difficulties. I suppose that in regard to anything connected with the Quebec bridge everyone always remembers the history of the structure, the disaster that took place there many years ago, and the fact that it was one of the great political incidents in our parliamentary history. Because there is no question in this particular case of a federal contribution I would hope that this situation never develops with this bridge. We wish the provincial government well, although I cannot say the same so far as these property holders are concerned if the hon. member in whose constituency the bridge is to be located is correct in his facts.

[*Translation*]

Mr. Réal Caouette (Villeneuve): Mr. Speaker, I only wish to say a few words on this Bill No. S-21, authorizing the province of Quebec to build a second bridge across the St. Lawrence river between the city of Ste. Foy, in the county of Quebec, and the municipality of St. Nicolas, in the county of Lévis.

In section 3, subsection (2), we read:

> Construction of the bridge or works ancillary thereto shall not be commenced until such time as the plans and drawings referred to in subsection (1)...have been approved by the governor in council—

Now, I should draw the attention of the Minister of Public Works (Mr. Deschatelets) on the fact that works have already been undertaken last year, to make way for this second bridge which will be only 300 to 400 yards from the old bridge. Although the legislation has not yet been passed and the bill has just been put before us, work has already started in connection with a second bridge in Quebec.

Mr. Speaker, I avail myself of this opportunity to tell the minister and the government that we will not object to the construction of a second bridge. However, it would have been easier, it seems to me, to widen the existing bridge, which was built so that it could be widened. The government could have suggested to the province of Quebec, and vice versa, to construct a tunnel between Quebec and Lévis. The traffic is heavy now close to the existing bridge. The second bridge will certainly help to relieve that traffic, but we are still left with an urgent need.

Between Quebec and Lévis, there is a possibility to build a tunnel and that project would be much easier to carry out than a new bridge, for instance, between the two cities.

Traffic is very heavy between Quebec and Lévis. Lévis people have to go all the way around, drive nine miles and back, that is 18 miles, to return to Quebec right across from Lévis. The same thing applies for Quebec people who want to go to Lévis. Why? To avoid the cancellation of a ferry which is said to belong to prominent Liberals in the region and which makes a trip across every 20 or 25 minutes during the day and every hour during the night. Thus, difficulty on difficulty impedes free movement between the two cities of Quebec and Lévis.

Ste. Foy-St. Nicolas Bridge

I call the attention of the Minister of Public Works (Mr. Deschatelets) to that fact because, besides being a member of the Liberal party, he is a man who, in philosophy and action, is an authentic liberal, which means he also thinks of others and not only of himself.

I am sure that the minister can pay attention to those many requests which were presented to him in the past asking, not only for a new bridge on the site of the present bridge, but also for a tunnel between Quebec and Lévis. That would probably not cost the government any more than the new bridge. And the traffic improvement would be much greater than that anticipated by the building of a new bridge near the existing one.

We should also safeguard the provincial rights. The province requests permission from the federal government, since the St. Lawrence river, which is a navigable river, a national and even an international river, must be crossed. It is especially on that account, I believe, that permission is being asked of the federal government; second—it should be first but it is second—it is because the province does not feel financially able to build this bridge by itself. So, it applies to the federal administration for assistance in the building of this bridge.

However, the bill says that the province of Quebec requests only authority for construction and maintenance of this new bridge, which is to be located close to the old Quebec bridge.

I believe the minister should rather study the opportunity of seeing to the building of a tunnel between the cities of Quebec and Lévis. This would assist not only the people coming from outside Quebec or Lévis, but also the residents of those two localities, who number about half a million people. This tunnel would render a tremendous service to people on both sides of the river and would also be of considerable assistance to visitors whether in summer, or winter.

Mr. Reynald Guay (Lévis): Mr. Speaker, following hon. members who spoke before me, I must say that I am also particularly interested in the building of that second bridge in Quebec.

I had the opportunity—as the people of the county of Lévis know—of being responsible as president of the chamber of commerce of Lauzon for some research work with regard to the building of direct means of communication between Lévis and Quebec.

Moreover, I also attended during the week end the convention of the chambers of commerce of Chaudière and Etchemin, which unanimously voted a resolution asking for a meeting with the provincial government to discuss those means of communication between Lévis and Quebec.

I do not object to the building of that bridge, Mr. Speaker, far from it, because it would be most useful for the people of metropolitan Quebec. However, there is still an urgent need, that of some direct means of communication between Lévis and Quebec, either by means of a tunnel, as the hon. member for Villeneuve (Mr. Caouette) said earlier or by means of another bridge.

But the problem will not be solved, because the studies made either by the committee of the city of Lévis or by the bureau for commerce and industry of metropolitan Quebec, thoroughly prove that the greater part of the traffic which now uses the Quebec bridge does not come from the west, but from the east, and has to put up with the heavy traffic crossing Lévis, either going through the town itself or using the trans-Canada highway which is now located right in the middle of that locality.

Therefore, although it is a solution, I do not believe it is the real solution to the problem of communications. The problem will remain. A small part of it will be solved.

So, I ask the provincial government to continue all its research to find as soon as possible, a real solution, I repeat, a real solution to that most urgent problem, the solution of which is a necessity for the development not only of the constituency of Lévis but of the Quebec metropolitan area as a whole.

Consequently, in closing, I say again I have no objection to this bill being passed here, as several hon. members have said before me.

All we have to do is to authorize the government. We are not too much concerned with building or other specifications. I repeat that the provincial government must take the necessary steps to find a solution to this most urgent problem, for the benefit of the people of my riding in particular and of the province of Quebec in general.

Mr. Balcer: Mr. Speaker, would the hon. member allow me to ask him a question? Does he really believe that it would be reasonable for the provincial government to build a second bridge or a tunnel at the same time as that one, simply to comply with his request?

Mr. Guay: I will say this to the hon. member for Three Rivers. In my opinion, the construction of a second bridge would not be a futile expense. I know that the minister of highways and the minister of public works in Quebec have made statements on that subject. Expenditures made for that purpose are

justified, as far as I can see, because, as we know, a steel complex will be set up on the south shore and other industries will eventually be established west of the Quebec bridge, which will justify the construction of a second Quebec bridge. But that does not solve, I repeat, the real problem.

I do not know, whether the provincial government, when it decided to build this second bridge, had future industries in mind, but I know that, for the people of Lévis, the problem has been there for several years and it is that problem which, for the people of Lévis, must be solved.

Mr. Robert Beaulé (Quebec East): Mr. Speaker, we are not against the building of a second bridge between Quebec city and the southern shore of the river, but I agree with the hon. member for Quebec-Montmorency (Mr. Marcoux) when he says that we should have a bridge to the east, that is at Beaumont, connecting Orleans island; that would greatly alleviate traffic congestion at the Quebec bridge.

I think that it is not so much the Quebec bridge that created traffic congestion. Of course, I am not an engineer to say that, but when you think that we have a four-lane highway to the Quebec bridge which motorists have to use to cross the river and, on the other side, traffic going only one way, you know why we inevitably have a traffic snarl.

I think that the building of a second bridge up the river from the existing one is but a half-measure.

If it is impossible to improve traffic on the other side of the bridge, on four double lanes, then I suggest that the bridge is useless and several million dollars invested for the construction of this bridge will be spent, uselessly, if it is impossible to relieve traffic on the other side of the bridge. I do not think that the construction of a bridge at such a place would be the ideal solution, besides the fact that the minister stated a moment ago that work would not be undertaken as long as the plans have not been approved by the department.

Well, as the hon. member for Villeneuve said, power cranes, power shovels and the complete machinery are already at the site of the bridge to build the approaches. Therefore, I ask the minister to secure the necessary information, so as to know if all that machinery will be used for the construction of the bridge which is discussed here.

With regard to the traffic going towards the Quebec bridge, a lot of it comes of course from the Saguenay region. It goes through Quebec city and crosses the bridge to take the trans-Canada highway leading toward the lower St. Lawrence region. It was claimed that the traffic comes from the east and not the west. I do not understand why the government of the province of Quebec discarded the possibility of building a bridge, or better still a tunnel, between Quebec city and Lévis. In my opinion, that would make it possible to get the traffic moving much faster than it does at the present time.

Indeed, as the hon. member for Villeneuve pointed out, the Lévis ferry service is owned by a company whose shareholders are mostly Liberals, and it is to please those people that the government is trying to do without the construction of a tunnel. At any rate, I should like to ask the minister whether the Quebec engineers truly intend to provide a double lane so that the traffic may move smoothly on the other side of the bridge.

It is useless to build a second bridge if it will not speed up traffic on the other side. In my opinion, the minister should get in touch with the Quebec authorities as soon as possible to ensure that traffic will move faster on the other side of the bridge.

Mr. Speaker, if the engineers who took part in the building of the roads on the other side of the bridge, had considered, instead of directing the traffic towards one area only, the building of a double lane west of the present bridge, towards an area accessible to the trans-Canada highway, we would not have to face this problem today.

Most of the traffic is not on the bridge but on the other side, on the south shore, where all the traffic has to go the same way, on a one-way road. That is why I do not understand the engineers who accomplished this feat of skill, that is a four double-lane road leading to a one-way road.

I hope then that the minister will be able to give me an answer later on, when the bill is considered in committee.

Mr. L. J. Pigeon (Joliette-L'Assomption-Montcalm): Mr. Speaker, I am somewhat sceptical about accepting this bill, following the statements made by the hon. member for Lévis (Mr. Guay). In other words, the federal government must approve a bill concerning the construction of that bridge which will be undertaken by the province at the estimated cost of $50 million. The initial problem will not be solved, as mentioned by the hon. member for Lévis. We, on this side of the house, do not want, by accepting this bill, to entail, for the Quebec government almost unnecessary expenditures in order to solve a problem which is not really the essential one. Moreover, as the hon. member for Lévis so aptly said, the chambers of commerce have also protested to the government of the province of Quebec, in order that this bridge might be constructed between Lévis and Quebec, and

not between Ste. Foy and St. Nicholas, in Lévis county.

Therefore, I believe that the argument presented to the house by the hon. member for Lévis is a want of confidence motion in respect of the Quebec government. In other words, it will not settle the major problem as desired by the people of the towns of Quebec and Lévis.

I am wondering what we are going to do. Shall we accept criticisms of the hon. member for Lévis who claims that the acceptance of this bill would not solve the major problem pointed out by the chambers of commerce of the area or else, should we accept, on this side of the house, to approve a bill which will result in a capital expenditure of $50 million for the province of Quebec without solving the major problem at all?

Hence, Mr. Speaker, I believe the member for Lévis was right in presenting to the Quebec government an ultimatum to solve the present problem by building a bridge, or better still a tunnel between Lévis and Quebec. So, we take into consideration the notice given by the hon. member for Lévis, and I am asking the minister whether it would not be possible to postpone the discussion on this bill, since the hon. member for Lévis maintains that it will entail almost useless expenses and will not solve the major problem.

In other words, this bill will be a disapointment to the citizens of Lévis, whom he has the honour to represent in this house, as well as to the population of Quebec city.

I think it would be better if the provincial government went back on its decision, and I ask the minister to help it so that a tunnel can be built between Quebec and Lévis. I am convinced that the hon. member for Lévis will be the first to congratulate the government for the decision it will have taken then. The chamber of commerce and the people of the ridings of Lévis and Quebec will be very grateful to him for having forced the provincial government to change its decision in order to solve the problem it is facing today. In the public interest, I think the minister should postpone the study of this project, to prevent the wasting of $50 million, especially since we know that this solution will not solve the major problem.

Mr. Guay: Mr. Speaker, the hon. member for Joliette-L'Assomption-Montcalm has very badly interpreted my words.

Mr. Caouette: Order.

Mr. Guay: On a question of privilege, Mr. Speaker. I want to correct the words uttered by the hon. member for Joliette-L'Assomption-Montcalm.

[Mr. Pigeon.]

He quoted me as saying that this second bridge will bring no solution whatsoever to the present situation.

I never said this would not bring any solution; on the contrary, in answer to the hon. member for Three Rivers (Mr. Balcer), I said that would be a solution for the time being.

Mr. Caouette: A half-measure.

Mr. Guay: The provincial government should study the advisability of solving the most urgent problem, that is the means of communication between Lévis and Quebec.

I never said that, in taking this decision, the provincial government had not taken a good decision.

Here, we only have to approve the principle of the construction of that bridge.

Mr. Balcer: Mr. Speaker, on the same question of privilege the hon. member for Lévis tells us that the hon. member for Joliette-L'Assomption-Montcalm—

Mr. Deputy Speaker: Order. Before the house starts a debate on the question of privilege that was just raised by the hon. member for Lévis (Mr. Guay), I must inform the house there is no basis for a question of privilege.

As far as the hon. member for Lévis is concerned, he will have another opportunity, if the debate is protracted or if the house goes into committee, to speak again and to give the explanations he wants.

However, there is certainly no question of privilege, and I do not believe the house should discuss at this time, at any greater length, the interpretation of the words uttered by the hon. member for Lévis.

Mr. Lucien Plourde (Quebec West): Mr. Speaker, if we go by his remarks, the hon. member for Lévis (Mr. Guay) does not seem too interested in this bill. Indeed, to judge from the number of Liberal members who are in the house at present, 11 out of 35, the question does not seem to interest them too much either.

It is a pleasure for me to take part in the debate on Bill No. S-21 to authorize the construction and maintenance of a bridge across the St. Lawrence river between the city of Ste. Foy, in the county of Quebec, and the municipality of St. Nicolas, in the county of Lévis, both in the province of Quebec.

As members of the federal parliament, we merely have to authorize the construction of a bridge over the St. Lawrence and we should be glad to do so even if we feel that it would have been better to build the bridge in the

eastern rather than the northern part of Quebec city as provided in this bill, considering that the new structure will be quite close to the Quebec bridge and that it would have been more useful to residents of the eastern part of Quebec city, since it would have saved them a detour to reach the city.

Naturally, the new bridge will help solve the traffic problem on the existing bridge, but the usefulness of the structure and the convenience of the people must also be taken into account. In my opinion, the most pressing need is the construction of a tunnel to connect Quebec city and Lévis. I hope the provincial authorities will submit such a request shortly since it will be a pleasure for us to give them our authorization.

In my opinion, the most important problem should have been settled and this new tunnel should have been built before considering the building of this bridge, but I think that the province is already committed, some work has already begun on the north shore of the St. Lawrence. Moreover, section 3 of the bill provides that:

—the province shall, before commencing the construction of the bridge or ancillary works, submit to the governor in council for examination and approval—

Mr. Speaker, I wonder whether the province has complied with this provision of the act since, according to the information I have received, it would have proceeded to more than the appropriate surveys. In fact, it seems that the building of the approaches is already started.

And the provincial authorities will have to inform the Canadian parliament of the location of all other bridges in the area, as section 3 of Bill S-21 so provides.

It is easy to give this information, as there is only one bridge connecting the two shores.

In their place, I would be embarrassed to propose the building of another bridge about a thousand feet above the existing bridge, especially when one is aware of the urgent needs of Quebec city's eastern section.

Use could perhaps be made of Orleans island, which seems to have been placed there by nature for this purpose, so that a bridge connecting the two shores could be built, half bridge, half tunnel. This would be easy to build and I think that this would ease considerably traffic in Quebec city and the vicinity and, by this very fact, traffic in the Saguenay area and eastern Quebec.

However, since I am not an engineer, I am not in a position to give any advice on this matter. Nevertheless, from what I have been able to note, I am of the opinion that asking to build this bridge does not show much imagination. And if I were sure that the approval of this bill for the construction of a bridge would delay the construction of the tunnel, I would be one of the first to try and stop the passing thereof, in order that the city of Quebec might be able to get a tunnel, a project which the citizens of Quebec are entitled to.

Accordingly, I accept today the construction of this bridge as an improvement, for the time being, while waiting for the construction of the tunnel, as we have accepted a temporary one at Three Rivers.

Hon. Théogène Ricard (St. Hyacinthe-Bagot): Mr. Speaker, I may not have many suggestions to offer in regard to the Quebec bridge, but I cannot let this opportunity go without making a few comments.

When travelling to Quebec city, in summertime or during the Quebec winter carnival, the motorist soon realizes that the traffic problem, when approaching Quebec city, is a matter which should be taken into consideration by the public authorities.

Especially during rush hours, even on week days, there is heavy traffic on the Quebec bridge and it is most difficult to get through.

A few years ago, it was decided to build another bridge in order to ease the situation which is most harmful to the city of Quebec, especially during the tourist season. Visitors become so annoyed that they finally get discouraged and forget about seeing the old capital. The building of a new bridge should ease traffic to Quebec city, and we should be glad that such a decision was taken.

However, if we look closely and logically at the situation, taking into account the fact that the heavy traffic comes from east of Quebec bridge, we cannot but conclude that the ideal place to build such a bridge would be between the cities of Quebec and Lévis.

I appreciate the position of the hon. member for Lévis (Mr. Guay). I know that the question of a second bridge which would be built elsewhere than between those two cities would be most embarrassing for him, because his constituents would ask him why he did not exert more pressure to have the bridge built between Quebec and Lévis.

As the hon. member for Lévis has pointed out, the construction of a bridge at St. Nicolas will only solve the problem in a temporary way. That is why I ask the hon. member for Lévis and his colleagues of Quebec city to exercise all the influence they have in order to convince the government of the province of Quebec to make sure that this problem will be solved as soon as possible and in the most sensible and permanent way.

I think that the chambers of commerce and the various public bodies are in favour of the

proposed building of a bridge between the two cities, which seems to be the most appropriate location.

Consequently, Mr. Speaker, I ask the other members from the province of Quebec to make representations to their half-brothers of the provincial government in order that this matter of prime importance be settled to the satisfaction of all concerned, from the financial point of view as well as in the interest of the city of Quebec.

Mr. Gilles Grégoire (Lapointe): Mr. Speaker, I should like to make a few remarks on Bill No. S-21. I will not deal with the traffic aspect because I feel that this problem has been well put before. The hon. member for Quebec East (Mr. Beaulé) and the hon. member for Quebec West (Mr. Plourde) have shown that the chosen site was not the best location for the bridge and the hon. member for Lévis (Mr. Guay) himself, stepping on his pride, has admitted that his colleagues of the Liberal government of Quebec were wrong. As far as I am concerned, I will deal with another aspect of the problem which is just as important, in my opinion, that is the aesthetic value of the present site.

Quebec bridge was well designed and constructed. It was built by engineers who were bent on achieving what is called the seventh wonder of the world. We had, in that part of the Quebec region, a wonderful site, a beautiful bridge. We have postcards which illustrate this very well, and we are proud to show this magnificent spot to our visitors. We are glad to have postcards and pictures which show the scenic beauties of the Quebec region.

And now, Mr. Speaker, against the most elementary notions of aesthetic values, we are going to build a new bridge right next to the one which already exists. That means people coming from the west will no longer be able to admire the beauty of the site as it exists now and those coming from the east will see a monster rising at the side of the magnificent Quebec bridge.

That new bridge is being built by the provincial government and the department of cultural affairs, which normally should protect the scenic and aesthetic wealth of our province, has shown in the past that it did not have the required competence to look after such matters and to assist in the development of such resources in the province of Quebec.

I see the hon. member for Outremont (Mr. Lamontagne), the Secretary of State, is laughing, because the minister of cultural affairs in the Quebec government is also a member for Outremont. It must be in that riding that they usually try to have elected those who could not get elected elsewhere—

Mr. Lamontagne: Order.

Mr. Grégoire: I notice that one was sent to cultural affairs in Quebec and the other to the C.B.C. in Ottawa. There must be some relationship, Mr. Speaker, because both are assigned to the same field of endeavour.

Now, the minister of cultural affairs of the province of Quebec never had anything to do with that in the past. Previously he had been appointed attorney general, and it was said that that department was the least well-organized.

As for the member for Outremont who is responsible for cultural affairs in Ottawa, he was more of a pseudo-economist.

Mr. Deputy Speaker: The hon. member knows very well that he is getting away from the matter under consideration. I urge him to come back to the study of the bill now before the house.

Mr. Pigeon: Mr. Speaker, in my opinion, it is very appropriate to talk of bridges about the hon. member for Outremont and the hon. member for St. Jean-Iberville-Napierville (Mr. Dupuis) because it is the bridge between Quebec and Ottawa with regard to co-operative federalism.

Mr. Deputy Speaker: I do not share the view of the hon. member for Joliette-L'Assomption-Montcalm.

Mr. Grégoire: Mr. Speaker, I do believe my remarks were outside the question but I must say that I could not let pass this wonderful opportunity, all the more so since the Minister without Portfolio (Mr. Dupuis) seemed to agree with what I was saying about Quebec's minister for cultural affairs.

Mr. Speaker, you will tell me that there is a difference between the artistic value of the present Quebec bridge and the construction of a new bridge. That is true, it is not the same thing. But I think that it would be advisable just the same to ask the Minister of Public Works (Mr. Deschatelets) to make sure that the new bridge will hold its own with the present one and that the aesthetic value of that site as a tourist attraction will not be impaired by the construction of another bridge which, according to the hon. member for Lévis, will solve only part of the problem.

In my opinion, the artistic and tourist aspects must be seriously considered before a new bridge is built and we must make sure that the value of the present site is not diminished.

Mr. Speaker, I think that the fact they want to build two bridges one beside the

other is a sign of the Liberal philosophy as we see it now: two flags, two national anthems, two bridges. They want to give everything twofold when we need only one. Mr. Speaker, I think that it is agreed to fly a flag over each bridge—

Mr. Deschatelets: Two Social Credits.

Mr. Dupuis: Two Creditiste parties.

Mr. Lamontagne: Two leaders.

Mr. Grégoire: Incidentally, Mr. Speaker, I think it is worthwhile to point out that the Minister without Portfolio just uttered his first remark since Christmas. I think that deserves a round of applause from all members of the house.

In concluding, I should like to add that, as one living in the Quebec area and in the city of Quebec, I think that the proposed bridge will not settle the traffic problem, because most of the traffic is between Quebec and Lévis, where all the traffic from Gaspé peninsula is going to Quebec. I think the best solution would be a tunnel between Quebec and Lévis. A bridge between those two cities would somewhat spoil the scenery and it would not be as useful as a tunnel. It would be easier to build a tunnel and it would do a lot more to settle the problem.

There is also the traffic between Montreal and Quebec. So, I think that instead of building a second bridge right next the first one, it would be better to go a few miles farther up and build another bridge so that the traffic coming from Montreal and going to Quebec or vice-versa would cross that new bridge without having to tie up the traffic coming from the Beauce region to cross the Quebec bridge.

Those are a few suggestions we had to make, and I hope the Minister of Public Works, whose artistic and tourist sense of value I know and appreciate highly, will take them into consideration and will recommend to his Quebec colleagues to spare the present scenery.

[*Text*]

Mr. B. S. Mackasey (Verdun): Mr. Speaker, I rise basically to speak on the Quebec bridge, although I am perhaps motivated by nostalgia more than anything else because, as most hon. members know, I was born in Quebec city and spent the greater part of my years in the district known as Sillery, which has very close historical ties with the Quebec bridge. I realize that a previous speaker mentioned the historical significance of the bridge, of which I am greatly aware having had friends and relatives killed in the building of that particular bridge. I also remember survivors of the collapse of the Quebec bridge telling me of the tremendous feats of heroism and also the tremendous hardships which those unfortunate victims who were imprisoned in the steelwork suffered. I think it is also of passing interest to the house that one of the greatest spies of the first war, the German von Ribbentrop, I think his name was, worked on the Quebec bridge until the outbreak of the war.

The previous speaker, the hon. member for Lapointe (Mr. Grégoire), talked about the dual nature of our party—two flags and so forth. I would imagine that of all people in the house aware of the advantages of doing things in pairs the members of his party should remember the great year they had last year when they had two heads, the hon. member for Red Deer (Mr. Thompson) and the hon. member for Villeneuve (Mr. Caouette). Fortunately, I think—

[*Translation*]

Mr. Caouette: Mr. Speaker, I rise on a point of order. The hon. member has just mentioned that there are two leaders in our movement. Last year there was only one leader, there was an assistant leader, a deputy leader. The hon. member has no right to ascribe motives to us, and he knows that very well. At that time, there was no question of two flags. We could walk together under the one and only flag.

[*Text*]

Mr. Knowles: What has this to do with the bridge?

[*Translation*]

Mr. Deputy Speaker: Order. May I remind all hon. members that we are now discussing the construction of a bridge between Quebec and Lévis.

[*Text*]

Mr. Mackasey: I agree to call a truce on the subject, Mr. Speaker. However, I would point out that there are lots of precedents in the province of Quebec for locating bridges within a few thousand feet or yards of each other. We had an identical situation on the island of Montreal when the previous government, and I commend them for it, built the magnificent Champlain bridge, which is situated only a few thousand yards upstream from the Victoria bridge and downstream from the Mercier bridge. I think the construction of the Champlain bridge has contributed greatly to the development of the south shore, and I humbly suggest to the members of this house that the construction of a new bridge in the general area of the present Quebec bridge will have at least as one of its side effects the hastening of the development of the south shore of the Quebec city area.

I agree, of course, with my hon. friend for Quebec-Montmorency (Mr. Marcoux) that the problem of communication does exist in his particular part of Quebec. There again bridges are needed, and I think it is the general conclusion of those who are familiar with Quebec city and its problems of communication and development that the area needs to be serviced by more bridges or possibly more tunnels. I think the hon. member for St. Hyacinthe-Bagot (Mr. Ricard), whom I respect, touched on a very significant point when he emphasized that one of Quebec city's greatest attractions is its characteristic beauty, and of necessity this must be shown and made as convenient as possible for tourists to reach. The tourist trade as it is developing at the moment flows into Quebec city usually from New York state and from Montreal, and first contact with the city of Quebec is generally made in the vicinity of the present Quebec bridge. So from that aspect if no other I think it is high time that a new bridge is built in that area.

I also agree, as a student in and friend of Quebec city, that the time is coming when construction of other means of communication between Quebec and Lévis, Montmorency and through to the island of Orleans must be provided. I think that this bridge is the first step only in the eventual development of communications on the island. In this regard I congratulate the members from Quebec who are normally so very jealous in this house of provincial rights and jurisdiction and who feel it is almost a sin to criticize the province of Quebec. I am glad to see so many Quebec members assuming their rights as federal members of parliament and passing judgment on what is happening in the province of Quebec. That is a healthy sign because it makes one realize that the members from Quebec are beginning to act as federal members of parliament and starting to realize that they were elected to the Canadian parliament, not to the Quebec legislature. I think that their criticism has been a constructive side issue, but I hope that we pass this bill as fast as possible.

[*Translation*]

Mr. Jean Berger (Montmagny-L'Islet): Mr. Speaker, I have no apology to make to the hon. member for Port Arthur (Mr. Fisher), because I am much more interested in this subject than he might be. As a matter of fact, every week end I use the existing Quebec bridge as well as the ferry service. I can tell you that the area I represent here and also the Montmagny-L'Islet county in particular, are interested for many reasons in the construction of this new bridge. Of course, maybe we would have a tendency to complain because we, the people of the lower St. Lawrence area, would perhaps like to have an easier way of communication before getting to the Quebec bridge.

However, the insistence shown by some impetuous provincial autonomists is a strange thing. The government of the province of Quebec, its engineers and others who are interested in the project, have decided this for several reasons. The premier of the province of Quebec, Mr. Lesage, has recognized the future importance of another bridge to relieve the metropolitan centre of Quebec city and Lévis. I know very well that the premier of the province of Quebec has given careful consideration to the bridge question. He has explained why it has to be built at that particular place.

If we look at the highway system at the entrance of Quebec city or on the Lévis shore, and at the way the laying-out normally develops, we can understand much better, if only we take the trouble to study these things, the reason why the contemplated bridge we are now discussing will be built exactly where the present engineers have advised to build it.

I am consequently in favour of the passing as soon as possible of the bill now before us because this is most urgently required. I rely upon the probity and honesty of the premier of the province of Quebec, who has assured us that as soon as the project will be economical—it will necessarily have to come to that—we shall have a bridge that will provide better transport facilities to my own constituents as well as to the people in the adjoining counties. At present and under existing circumstances, the bill is the only solution we have to improve the highway system we now have in the province of Quebec.

I have faith in the future but I believe that we shall have to keep on defending provincial autonomy. I was surprised this afternoon to see that certain impetuous members, who are in favour of provincial autonomy, had not shown great respect for that in the house—yet it is not a holiday today. Fortunately, I find however that there are still courageous members who keep a watchful eye on the provinces' autonomy and I hope they will keep up the good work, as I will myself, and as we have given proof of it in the past.

Mr. Gérard Perron (Beauce): Mr. Speaker, perhaps I might have refrained from bringing my contribution to this debate after those which we have already heard concerning the advisability of authorizing the construction of this second bridge above the one which is now handling road traffic from Lévis and

Quebec as well as from many other ridings in eastern Quebec, such as the constituency of Montmagny-L'Islet.

Quite recently we found out what a traffic tie-up could be like on the Quebec bridge and even off the bridge. Fifteen days ago the hon. member for Montmagny-L'Islet, the hon. member for Lévis and myself shared that experience when we almost missed our plane for Ottawa, not because of the Quebec bridge itself, but on account of some minor work being carried out on the approaches to the bridge. I am therefore somewhat surprised to find that, because of his respect for provincial autonomy, the hon. member for Montmagny-L'Islet seems to have made himself the defender of this bill which authorizes the province of Quebec to build this second bridge on a site which, as the hon. member for Lévis said, answers neither the present traffic needs of the counties extending eastward along the lower St. Lawrence nor the traffic coming from the densely populated area of Saguenay-Lake St. John and going to the eastern part of the province.

I wonder whether we should not more specifically ask the Minister of Public Works to see whether it would be appropriate not only to plan or build a bridge according to the principle of co-operative federalism, but to consider the building of a bridge which will truly answer the traffic needs in those counties.

I live in a rather sparsely populated area, counting from 75,000 to 80,000 people, the greater part of whom, because of their trade, business, cultural needs and medical care—they sometimes have to resort to the hospitals in Quebec city—have to contend almost daily with bottlenecks on the approaches to the present bridge.

With regard to the highway which would better ease the traffic coming from the east Quebec city, I think the best solution would be to review the matter, while respecting the rights and autonomy of Quebec, but in accordance with logic.

For several years I was president and vice president of chambers of commerce, and the hon. member for Lévis just remarked, in his brief speech, that only last Sunday the chambers of commerce of Beauce, Jonquière, Dorchester and Lévis held a meeting to ask for this highway problem to be settled so as to help commercial and agricultural traffic between Quebec city and the farming and business communities of the neighbouring counties who are in almost daily contact.

Therefore, I think that the argument advanced a while ago by the hon. member for Quebec-Montmorency is a good argument.

As concerns arguments put forward by other hon. members, I do respect their opinions, but I do not believe the hon. member for Montmagny-L'Islet can say the representations of the newspapers on this problem, following Mr. Lesage's statements, justify the exorbitant expenses that will be incurred for the building of this bridge.

A year ago it was learned a tunnel between Lévis and Quebec was out of question. However, that project was studied by engineers and experts as well as by the Lévis council and other councils of neighbouring and eastern Quebec municipalities. That project had been seriously studied—even the financial possibility of building this tunnel as an easier means of communication between Lévis and Quebec.

It was a surprise for everybody, as well as for public bodies such as chambers of comference, Richelieu clubs and other associations which had advocated this construction, to learn that a tunnel or a second bridge that could have easily served that area through Orleans island and Beaumont was to be replaced by a bridge located at a distance of a few hundred feet from the present bridge.

We are all somewhat surprised, for, even if we are federal members of parliament, we represent a Quebec population, and, personally, I represent the Beauce population. Now, when the first statements were made to the effect that a second bridge would be constructed about 200 feet above the existing bridge, it was a surprise for the inhabitants of the neighbouring counties.

I therefore believe it my duty to express this amazement before the house and to ask the Minister of Public Works to think the project over and to try establishing new contacts, in the name of co-operative federalism for it is a delicate step for us to oppose the authorization requested by Quebec. I think it is normal that we should ask the Minister of Public Works to suggest to provincial authorities to think the matter over before implementing this bill, which does not meet the present needs.

Mr. Deputy Speaker: If the minister speaks now, he will close the debate.

Hon. J. P. Deschatelets (Minister of Public Works): Mr. Speaker, I thank the hon. members for their very interesting remarks, especially those specifically concerning the bill under consideration.

I would like to answer all the questions, but I think that it would be easier to answer directly the questions asked when the house will be in committee.

Mr. Caouette: Agreed.

Mr. Deschatelets: I hope that my hon. friends will agree to proceed immediately with the second reading, since no objection has

been raised against the principle of the bill. My advisers will then be here and I will be in a position to answer the questions of the hon. members. This is a project of the Quebec provincial government which selected the site of the bridge and our only responsibility is to see that this structure will not hinder navigation on the St. Lawrence river.

According to all preliminary plans studied by our engineers, this construction will not create any difficulty and will not impede navigation as a result of ice, because the free space between the central piers of the bridge will be much greater than in the present bridge. As far as its height is concerned, it will be the same. All things considered, our experts have declared that there would be no difficulty at all about it, and I am sure that what has been pointed out by the hon. members will be examined by the province of Quebec and undoubtedly appreciated accordingly.

Now, I hope that the house will give second reading to this bill and, along with the departmental experts, I shall try to answer all the questions.

Mr. Deputy Speaker: Is the motion carried?

[*Text*]

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

On clause 1—*Short title.*

[*Translation*]

Mr. Pigeon: Mr. Chairman, I should like to direct a few questions to the Minister of Public Works so as to know whether he shares the opinion of the hon. member for Lévis (Mr. Guay) who feels that it would have been more desirable that a tunnel be built between Quebec and Lévis to solve the present crucial problem and that this bill has been rejected by the hon. member for Lévis and the chambers of commerce of this region.

Mr. Deschatelets: I would have a very interesting answer to give to the hon. member for Joliette-L'Assomption-Montcalm but it is not our practice to deal with purely provincial matters.

The construction of that bridge is strictly a provincial local matter, and I think that we would be ill-advised to assess the pros and cons, namely if this bridge should be located farther upstream from the site now selected and so on. For all those reasons, I believe that it is not desirable for me to express any opinion. Besides, I could say this: Technically speaking, nothing is impossible so far as the construction of a tunnel or a bridge is concerned. Anything can be done. Only the cost has to be considered, but as we have now before us a bill from the province of Quebec —and I would say the same thing for any bill presented by other provinces—we take it as it is and we must only see if, from the navigation point of view, it might be a source of problems.

Mr. Pigeon: Would the minister agree if the province of Quebec decided to build a tunnel between Quebec and Lévis, or would he seriously object to a different project?

Mr. Deschatelets: I shall answer in this way: we would act exactly as we did in the case of the Boucherville tunnel and bridge project. Plans and specifications which were examined, when the matter of building a tunnel came up, did not present any difficulty as far as navigation was concerned. Consequently, we authorized it and any other project presented by the province of Quebec would be treated in the same way.

Mr. Balcer: Mr. Chairman, I should like to ask the minister when the work on the bridge will start and when will it be finished? I would also have two or three other questions to put to the minister.

Mr. Deschatelets: Mr. Chairman, I am sorry but I am unable to answer that question. The former minister of transport, the hon. member for Three Rivers, is well aware of this: If a private company were building that bridge, the order in council that would be signed would give a time limit within which construction should start, but when we deal with a province, if there is no problem with regard to navigation, we just issue an order in council.

I regret to be unable to say when the work will start and will be completed. On the other hand, I am under the impression that work will start as soon as that order in council is issued.

Mr. Balcer: Mr. Chairman, may I ask a supplementary question? I understand very well that the minister is not in a position to answer my question and, furthermore, it is not essential to the said bill.

However, there are a number of other essential questions. What will be the number of piers in the St. Lawrence river and what will be the distance between them? Will those piers narrow the channel in the St. Lawrence?

Mr. Deschatelets: Mr. Chairman, it is a suspension bridge. It will have two main piers and the distance between them, as far as I know, will be approximately 1,800 feet, that is a little longer than the distance between the two main piers of the present Quebec bridge.

In view of the fact that the profile of the new bridge will be practically the same as that of the old bridge, icebreakers will have all the space required to do their job on the St. Lawrence river, just as they do now, as far as the old bridge is concerned.

Mr. Balcer: A last question, Mr. Chairman. Can the minister tell us whether or not it will be a toll bridge?

Mr. Deschatelets: Mr. Chairman, I regret that I am not in a position to answer this question. In fact, the hon. member for Three Rivers will admit that his question is not directly connected with the problem under consideration.

Those are matters of details which will certainly be disclosed when the order in council is approved.

Mr. Marcoux: Mr. Chairman, I should like to direct a question to the minister, since we are still considering clause 1.

It is obvious that the new bridge will not be named "pont de Québec". It will also probably not be named "pont de Lévis". Will it be named "pont de Sainte-Foy" or "Saint-Nicolas" or will it be given the name of a prominent member of the federal or provincial Liberal party?

Mr. Deschatelets: Mr. Chairman, the question of naming that bridge never came up. It will certainly have a name, but it is a matter for the provincial authorities to decide and if the hon. member for Quebec-Montmorency has a favourite name, he only has to submit it to the Quebec provincial authorities.

An hon. Member: The Deschatelets bridge.

Mr. Pigeon: The Balcer bridge.

Mr. Beaulé: Mr. Chairman, I simply want to ask the minister one question.

I said earlier that what slowed down the traffic was the fact that the motorists coming from north and south were converging in the same direction. Can the minister tell us whether the construction of four-lane highways has been provided on the other side of the bridge, so that the traffic can be directed more quickly on the south shore?

Mr. Deschatelets: Mr. Chairman, the hon. member is talking about the access roads. I must tell him this. I believe it is a six-lane bridge, three on each side, each 36 feet wide for a total width of 72 feet. On the other hand, I understand that the bridge will have an over-all width of about 90 feet.

Now, with regard to access roads to the bridge, I have no information on that.

A while ago one or two hon. members said that the work had begun. The construction work cannot begin until the order in council has been signed and approved. It will not be signed until the engineers of the Department of Public Works and the Department of Transport have examined the plans in detail. It is at that time only that the order in council will be signed and the work can begin.

I have the impression that work is being done at the present time along the approaches in the province of Quebec. There may be equipment or machinery for that work, but I do not think that this work has any relation to the building of the bridge. I must say to the hon. members that I am convinced that the work has not begun. In fact, it cannot be started before legislation has been passed by the government and an order in council has been approved.

Mr. Beaulé: Mr. Chairman, could the minister inquire concerning the work in progress concerning the approaches of the bridge which is to be built under this bill?

If the minister wishes me to do so, I will bring him next week proof of the fact that work is being done at present in connection with the bridge.

Mr. Deschatelets: Mr. Chairman, I think this question is covered by sections 2 and 3 of the bill under consideration.

What the Navigable Waters Protection Act forbids is the construction of the bridge and the execution of any related work.

Moreover, according to the act, the federal government has no jurisdiction a quarter of a mile from the bridge, or on provincial property. Indeed, I feel that we would be quite ill-advised to tell the provincial government that they must stop their machinery and equipment approximately 50 feet from the bridge and that they must not continue with the preparation of the approaches to the bridge.

I think that this should answer the question asked by my hon. friend but, at all events, I will inquire so as to be sure I am not making any mistake when I tell him that the work has not yet begun.

Mr. Beaulé: Mr. Chairman, a while ago I asked the minister whether he knew about the highway system that we are going to have on the south shore as the traffic at present is not as heavy on the bridge itself as it is on the other side of the bridge.

Does the minister know about the proposed highway system that motorists will be able to use to reach the bridge, because at present north and south traffic converge in the same direction? That is where the actual problem lies, not the bridge.

Mr. Deschatelets: Mr. Chairman, in view of the fact that the hon. member no doubt knows

this area much better than I do, I suggest that if he has any representations to make—and they are no doubt very interesting ones—he should make them to the government of the province of Quebec.

The federal government has no jurisdiction over the approaches. I inquired about this a moment ago, and I was told that the road to this bridge is not linked in any way with an access road to the trans-Canada highway.

However, the hon. member's remarks should be brought to the attention of the government of the province of Quebec, where they would certainly be given due consideration.

Mr. Beaulé: Mr. Chairman, I would like to ask a question which may not be related to the bill now under consideration, but I wonder if the minister could tell us what will become of the existing bridge?

Mr. Deschatelets: Mr. Chairman, the present bridge will be used for the purposes intended.

However, one must not forget that this bridge was built many years ago, that traffic has substantially increased and that Quebec city is facing the same traffic problems as all other large cities of North America. This proposed bridge will probably be followed by others to meet the present requirements. In fact, it is possible that my remarks will not be directly related to the bill which is now before us but we must not forget that when we are talking of a six-lane trans-Canada highway, we should have in mind an eight or ten-lane highway. Unfortunately, the financial aspect does not permit us to do everything we would like to.

Mr. Perron: Mr. Chairman, I would like to direct a question to the hon. minister.

Since there was mention of the trans-Canada highway, whether this request is refused or granted, could the minister tell us if that would affect in any way the existing routing of the trans-Canada highway from St. Etienne, in Lévis county, towards Quebec city?

Mr. Deschatelets: Mr. Chairman, the present route will in no way be affected.

Mr. Marcoux: Mr. Chairman, one more question. I see that it is one minute to five o'clock and I would not want to delay the passing of this bill.

Could the minister tell us what will be the exact distance between the existing bridge and the proposed bridge. Could the minister also tell us if the distance between the two bridges will be sufficient so that the Quebec bridge, which is federally owned, will not lose any of its appearance or its soundness, for instance?

[Mr. Deschatelets.]

Mr. Deschatelets: According to my information, the new bridge will be 1,650 feet up the river from the present bridge, and I am told that—

Some hon. Members: Carried.

Mr. Latulippe: Mr. Chairman, I should like to direct a question to the minister. Could he tell the house what financial assistance the federal government intends to grant toward the building of that bridge?

Mr. Deschatelets: Not a penny, Mr. Chairman.

Clause carried.

Clauses 2 and 3 carried.

On clause 4—*Regulations.*

Mr. Balcer: Mr. Chairman, I should like to ask the minister if subsection 2 of clause 4 is necessary. It reads:

> All persons affected by any regulation made under the authority of this act shall comply therewith.

In my opinion, that subsection is superfluous. Ignorance of the law is no excuse for anybody, and I cannot imagine why subsections such as this one should be written into the statutes of Canada.

Mr. Deschatelets: Mr. Chairman, the hon. member's comment is taken very seriously. With his permission, we shall take it into consideration. But, as this subsection is identical to the one incorporated in other measures we have already passed, I would suggest we adopt the clause in its present form. However, we shall certainly take the hon. member's comment into consideration as regards future bills.

Clause agreed to.

Bill reported.

Mr. Deschatelets: Mr. Chairman, I thank all the hon. members.

[*Text*]

Bill reported.

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

Mr. Knowles: By leave.

Mr. Deschatelets moved third reading of the bill.

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

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

PRIVATE BILLS

MONTREAL BOARD OF TRADE

Mr. B. S. Mackasey (Verdun) moved the second reading of Bill No. S-18, respecting the Montreal board of trade.

An hon. Member: Explain.

Mr. Mackasey: Bill No. S-18, an act respecting the Montreal board of trade, is in essence similar to hundreds of other such bills which have come before this house in previous sessions.

I would beg the indulgence of hon. members for a few moments to draw to their attention that at a time in our history when we are more than ever aware of our heritage the Montreal board of trade is requesting a minor adjustment in its charter to assist the development of an organization which was formed not 50, or 100 years ago, but in 1822, 142 years ago. It is significant, I think, that human nature rarely changes. Back in 1822, a group of merchants, dissatisfied with the chaotic conditions of the time, banded together to improve the trade and commerce of the island of Montreal by some form of organization. Trade at that time was impeded by laborious methods of communication which necessitated decisions being made and bills being regulated in England; it often took three months before decisions could be rendered. Twenty years later, in 1842, these merchants were granted a royal charter which gave them certain powers on the island of Montreal. I do not intend to discuss these powers in detail, but they have some history attached to them. For instance, members of the board of trade were given the task of policing weights and measures and controlling the quality of flour, meat and so forth. They grew in reputation and respect and were eventually granted exemption from jury service, in those days a mark of esteem granted only after careful deliberation. I think, however, that the Montreal board of trade will best be recognized, at least by members from my area, for the fact that it was directly concerned with the establishment of the great port of Montreal and directly responsible for the system of canals which permitted trade to flow up the great lakes into what is now Canada.

In those days the board of trade took an active part not only in the expansion of trade and commerce but in the field of education both of its own members and of the citizens of the island generally. Since then, of course, the work of the board has changed considerably. Many of the functions that were performed at that time have been taken over by municipal, provincial and federal organizations. However, the board of trade is still of tremendous usefulness in the business world of Montreal and it maintains direct relationship with trade matters. For instance, it has developed one of the most complete libraries in the world on the subject of exportation and importation, and today it renders a most useful service to its members by providing information on tariffs and so forth. The Montreal board of trade has continued to serve the community for 142 consecutive years and today it is as vigorous as it ever was. Some 2,800 firms in the Montreal area, both large and small, are among its members.

Unfortunately its present premises in the historic centre of Montreal, on St. Sacrament street, were built between 1900 and 1903 and are no longer adequate. Moreover, the efficiency of the board is lessened by the fact that the geographical face of Montreal has changed. Today, St. Sacrament street is no longer the hub of the world of enterprise in the city. Business has a tendency now to move uptown, as it is commonly called. In order that the board may become more efficient and serve its members better, it is desired to move to what is commonly known as uptown. Such a move is presently being held up, and one of the reasons is the fact that in 1890 a minor change in the board's charter limited the real holdings of the board to $1 million. Certainly, in 1890, $1 million was a considerable sum of money and it stood the board in good stead until the present day. As all members who are familiar with the city of Montreal know, the cost of buying land and erecting a building on a suitable location is such that this limitation to $1 million is proving an impediment; it is holding the board back. A similar problem affecting the Toronto board of trade was, I believe, placed before this house some time ago.

In these circumstances, the board is seeking to end the limitation imposed upon it in 1890. It is asking that the restriction to physical holdings of $1 million be removed so that it may feel free to move to a new location and thus continue its fine work for the business community of Montreal. I would humbly ask that this request be acceded to, and if the bill should pass second reading today that it be referred to the standing committed on banking and commerce where witnesses may be called for or against the proposal.

Motion agreed to, bill read the second time and referred to the standing committee on banking and commerce.

Private Bills

SIR JOHN A. MACDONALD

PROVISION FOR ESTABLISHMENT OF LEGAL HOLIDAY

Mr. Heath Macquarrie (Queens) moved the second reading of Bill No. C-31, respecting Sir John A. Macdonald day.

He said: I invite the attention of the house with my usual brevity, of course, to a bill the passage of which would I believe do something to strengthen our sense of national purpose and mark at least one step away from those long years of Canadian neglect of the great men whose labours and vision have made our land great.

One is appalled to note how little is known about Sir John A. Macdonald. The minister of education in the great province of Ontario was alarmed when he discovered that many school children, otherwise well informed, knew not the name of the father of our country. And I have noted on a certain radio program emanating from Ottawa where they question listeners about the names of various characters—and they do not always get them right—there is no alacrity of response when they inquire about Sir John A. Macdonald. Indeed, in Canada, while thousands would know the birth date of Abraham Lincoln or George Washington it would require a little research to find the birth date of Sir John A. Macdonald. We recognize St. Patrick's day and St. Andrew's day, as is right and proper. We recognize Robert Burns day, too. But I am inviting the house to set apart a Sir John A. Macdonald day. In doing so, no party here represented would suffer and I think all would gain something by recognizing what the great Joseph Howe said long ago—I shall quote his words, as many hon. members have done before me.

> A wise nation preserves its records, gathers up its muniments, decorates the tombs of its illustrious dead, repairs its great public structures and fosters national pride and love of country by perpetual reference to the sacrifices and glories of the past.

My hon. friend from Prince Edward-Lennox (Mr. Alkenbrack) did a real service when in connection with an earlier bill brought before this house he dealt with the career of our great first, first minister who was born on January 11, 1815. His holiday, if we should proclaim one next year, would mark the 150th anniversary of Macdonald's birth.

I am sure parliamentarians know Sir John A. Macdonald's life. They know what manner of man he was—the great John A., the lovable John A., the puckish John A.; although at times he was plunged into the loneliness of despair and the unhappiness of frustration, beset by doubts and anxiety—and, heaven knows, he has reason enough for both. And he was not a teetotaler; I think that is now part of the record. He was quite a hard drinker. Indeed, he said in those memorable words:

> The people of Canada would rather have John A. drunk than George Brown sober.

He demonstrated the accuracy of his prophecy, if not the virtue of his habits. He was a man who, entering public life in 1844, remained in public life for nearly half a century; a cabinet minister for a third of a century, and prime minister for nearly 20 years. A gay man was John A.; a popular man; a beloved man, but also a great man. What were the secrets of his greatness and what in his life, in his record, is of value to us today? I think much. First he was a nation builder; a practical man of common sense and shrewd judgment. In one of his first speeches in the old legislature of Canada he stood up and said:

> In a young country like Canada I am of the opinion that it is of more consequence to endeavour to develop its resources and improve its physical advantages than to waste the time of the legislature and the money of the people in fruitless discussions on abstract and theoretical questions of government.

We do not have many political philosophers in Canada, and we Conservatives can claim that John A. Macdonald was one of them. Yet with all his hardbitten common sense he was a visionary. He saw a greater Canada. When others saw only narrow, small confines for the little political communities of what was then British North America in the middle of the 19th century, he saw a transcontinental dominion and he made his vision a reality. Of him Laurier said:

> His actions displayed a far reaching vision beyond the event of the day, and, still higher, permeating the whole, a broad patriotism, a devotion to Canada's welfare, Canada's advancement and Canada's glory. It may be said without any exaggeration whatsoever that the life of Sir John A. Macdonald, from the day he entered parliament, is the history of Canada.

That is what the great Laurier said about the great Macdonald. It was not easy for him to pursue his vision of a transcontinental dominion. We think at times in our political life today that we have bitterness, but the days in which Sir John A. functioned were replete with invective and political suspicion of motives which were not always quite above reproach. The suggestions involved in his new state were so difficult, but resisting alike the blandishments of those who would surrender supinely to incorporate them with the great republican neighbour and those whose range could not transcend a weak, inglorious colonialism, he and his associates built a country monarchical and free, American yet not republican, dedicated to the British institution from which it sprang but destined

surely for independence, with its own unique political institutions, the greatest of which is that in which we are all functionaries. It is well known that in his last great campaign, when he faced what he thought was a great danger to Canada's continuing independence he made this stirring statement. He was not the greatest orator of his time, but he said:

> Shall we endanger our possession of the great heritage bequeathed to us by our fathers, and submit ourselves to direct taxation for the privilege of having our tariff fixed at Washington, with the prospect of ultimately becoming a portion of the American union?...As for myself, my course is clear. A British subject I was born—a British subject I will die. With my utmost effort, with my latest breath, will I oppose the "veiled treason" which attempts by sordid means and mercenary proffers to lure our people from their allegiance.

It was almost his "latest breath", because the election of 1891 killed Sir John A. Macdonald. But he was something else, and I think this is of interest to all of us. He was a party man. Macdonald always said his greatest work was done before confederation. Some historians would question that. But he did see, like Bryce and many other students of politics saw later, that political parties are actually older than democracy and that no great free country can exist long without them. In 1854, with great finesse, with infinite patience, with broadmindedness, with understanding, with good fellowship, with a sense of purpose, he joined the Progressive Conservative party, then called the Liberal Conservative party. Then in 1864, the year of the Charlottetown conference, through the great magnanimity of a man who was not always magnanimous, George Brown, he formed a coalition and so came to Charlottetown with a united political group in 1864. There again the gifts and abilities of the man when he built a party were applied to creating a nation; and we know what emanated from that great meeting in the city which I have the honour to represent in this House of Commons.

The architect of confederation was also the father of Canada's great historic parties. He did in his time what Sir Wilfrid Laurier was to do a few years later. He created, inspired and led the second great national party, and when we reached that stage we reached a mature political society, broadly based, with a unified course. In any country such as ours where regional feelings and backgrounds are strong, differences are never too far below the surface, differences of religion, ethnic background, economic inequality, geographic separation. In spite of all these discordant forces Canada, first under the great Liberal Conservative party and then—and I cannot pretend that it is quite as good as the one I have just mentioned—under the Liberal party of Laurier, was brought together with a great degree of unity and there was progress in this country.

He was something else than a party man. He was a moderate. In an age when it was so easy to ring the welkin on particularism, on regionalism, and indeed on bigotry, he took another course. Macdonald, in his close association with Cartier was surely an essential factor in confederation and the building of the party which became the vehicle ushering in confederation. In a day of bigotry and bitterness he avoided both. As a great Canadian historian—I think not a Conservative one; I was a student of this man—Professor Lower, has said:

> His stand with respect to the race question was consistent throughout his life whatever the cost to himself...he refused to raise the race cry at a time when he was in low political water.

His words to Brown Chamberlain, editor of the Montreal *Gazette*, further clarify his attitude:

> The trouble is that you British Canadians can never forget that you were once supreme, that John Baptiste was once your hewer of wood and drawer of water. You struggle for ascendancy. If a Lower Canadian Britisher—

That is quite an expression, Mr. Speaker, but it was recognized in those days:

> —desires to conquer he must stoop to conquer. He must make friends with the French without sacrificing the principles of his race or lineage. He must respect their nationality. Treat them as a nation; and they will act as a free people generally do—generously. Treat them as a faction and they will become factious.

So he wrote many years ago. As the professor says:

> Wise words—the beginning and the end of our Canadian puzzle but by few indeed taken to heart. Can the man who wrote them and who lived them be accused of having been a "mere opportunist".

Then at another time when his own party was torn because of excessive religious particularism, if I may use the euphemism, although it is more than that; when the country was being torn apart by one of the greatest of all political ills, and the identification of an ethnic region and a geographic region within a political party line became threatening he said:

> Let us forget this cry and we shall have our reward in seeing this unfortunate fire which has been kindled from so small a spark extinguished forever and we shall go on as we have been going on since 1867 as one people with one object, looking to one future and expecting to lay the foundations of one great country.

Macdonald was always a one-Canada man; he was always a strong-Canada man; and he did not hesitate to use the greatness of the national political apparatus to further national aims and to strengthen national purpose.

There is much one would like to say about this man whom we should honour more, but I can only conclude my remarks, so inadequate to the greatness of my subject, by calling on the members of this house. We are at this moment in danger of embarking upon another sea of discord. Let us find out whether out of our historic past and our common tradition there is something to symbolize greater unity, something around which we as Canadians and we members of this house as legislators may find a rallying point.

We Canadians are perhaps not very picturesque people. We are not terribly emotional. We are a bit casual about many things and certainly about our history. I would invite the support of this bill to honour the founder of our country, which sets aside a day when we, like him, can move our thoughts in the direction of unity and of greatness, away from discord and those matters which would separate us and undo those things which would bind us together. Because only thus can that land which he and his associates built up and is called Canada be worthy of his name.

Mr. J. J. Greene (Renfrew South): Mr. Speaker, it is an honour for me to follow and to support the urbane, erudite and always affable member for Queens (Mr. Macquarrie), whose presence in this house has ever provided an aura of grace and decorum in an often times tempestuous place. I would point out that the hon. member, in presenting to the house a bill whereby we might pay some homage and honour to the attorney general for Canada west, as he was prior to confederation, is doing something which many of us in this house feel is important. He is doing something which should have been done before and something to which we should all give our very serious and considered attention. I would certainly agree with the hon. member when he states that too often in the past in this country, and in this house in particular, we have ill honoured our past. We have not paid sufficient homage to our history, and in so doing we have probably failed to strengthen that foundation for this nation which can only be made strong, and on which we can build a greater future, if we honour and strengthen our past as the hon. member would have us do.

With respect to Sir John A. Macdonald, whom the hon. member would have us honour here, I would point out that certainly some considerable tribute has been paid to him in the biography of Donald Creighton, who I understand to be of a similar political vintage both of the hon. member and to Sir John A. Macdonald, as a result of which his two-volume biography may have been somewhat coloured but is nevertheless a great tribute to Sir John A. Macdonald. It is one which is worthy of him and the contribution which he made to Canada.

I think that in this biography of Mr. Creighton's we have a precedent, which we hope will be emulated in the future by our writers and historians, whereby a very great and important source of history and of honouring our past traditions will be found. I think many of our heroes of history have not been sufficiently written about and reported upon, particularly in popular, readable histories of the style of Mr. Creighton's. I may say in this regard that having read this to a very large degree panegyric of Sir John A. by Mr. Creighton, I had a few qualms in doing a little research into the political affiliations of its author, and I thought possibly I would get a view from the other side. Subsequent to reading this biography I read Sir Richard Cartwright's biography of Sir John A., and if one treads a road between the two he might possibly achieve the true picture of Sir John A. I would not suggest to hon. members of the party of which the hon. member for Queens is a member that they would find the complete truth according to their liking in Sir Richard Cartwright's biography. The social graces of the attorney general for Canada west are given more preeminence in that biography than they are in the biography of Mr. Creighton.

With respect to honouring other days, there is only one remark of the hon. member's to which I would take exception, and that is the inference he drew that we honour St. Patrick's day and that St. Patrick's day in his view, I gathered from his remarks, should not have the honoured place that it does have in the annals of our celebrations. Coming from the Ottawa valley I must take great exception to any such suggestion. I would suggest to the hon. member that in honouring St. Patrick's day we do no less honour to Sir John A. Macdonald, except that we possibly honour St. Patrick's day with a little more revelry and a little more boisterously.

I would also point out with respect to the 1864 cavalcade to Charlottetown, which is being celebrated this year and which we sincerely hope will be celebrated with honour and broad acclaim throughout the nation—because it was certainly this meeting which ultimately led to confederation—that this was originally to be a meeting, as the hon. member for Queens no doubt knows far better than I, only to discuss maritime union. In fact, the meeting had virtually been abandoned when the members from Canada east and Canada west embarked on their jolly cruise, and the

meeting ultimately became one for confederation of all the colonies of British North America. I understand that the maritime papers in particular paid considerable tribute to the social graces not only of the attorney general for Canada west but to the many members who came from the parliament of Canada to Charlottetown, and their convivial ability to carouse well into the night was apparently one of the many reasons why the maritimers took so gleefully to the idea of confederation. May it be that this summer, when we are all celebrating that momentous event of the Charlottetown crusade, that we will enjoy the festivities as did our parliamentarians of those days.

I would point out in regard to the subject of our history generally that we have not paid sufficient heed or tribute to our history in the past, and there may be good reason for this. I think from the very nature of the diversity of our foundation, and by virtue of the fact that there were two basic founding races and languages at the root of our confederation, it may be that in the past—and I think politically this has been the case in the past—we tended to steer away from our history because that history would have pointed out the very differences that exist. There was a tendency to bury our heads in the sand like an ostrich and to say in the non-French parts of Canada: "We will study our history and you study yours, and never the twain shall meet". I think this is the reason we have paid insufficient heed to our history. We have not sufficiently glorified our heroes because we were, on both sides of the coin, afraid of the past.

I think that is the situation in which we find ourselves today it is self-evident that in fact this has been a tragedy, that we should have paid greater heed to our history. Perhaps the very differences of our foundation, had we come to know each other better through a more pervasive knowledge and wider acceptance of our respective histories and heroes, would have been resolved and made our foundation the stronger today. In this regard I have a few quotations which I think may be pertinent.

The hon. member for Queens (Mr. Macquarrie) has very aptly brought before the house a quotation from Joseph Howe in regard to history. Here is something that Benjamin Disraeli said in the House of Commons in 1849:

> The memory of a great name and the inheritance of a great example is the legacy of heroes.

I commend that thought to the house. Here again surely the memory of our heroes, such men as Sir John A. Macdonald who helped to found this nation, would give a great inheritance and a great example to those who come after them, and should be better known.

I might say in this regard that we on this side of the house can take particular pride and honour in any suggestion to honour Sir John A. Macdonald because I think even those who know little history appreciate the fact that there would have been no confederation if George Brown had not made a very great personal sacrifice. Maurice Careless in his recent biography certainly gives credence to the belief that possibly Brown gave up his place in history to a very considerable degree by affiliating with Sir John A. Macdonald in the confederation movement. At that time it was the only thing that could be done to avoid the stalemate that existed, and certainly we would have had no Canada today had not Sir John A. and Sir George Brown worked together to bring about confederation.

I would also point to a quotation from Pliny the Younger found in book 5 of his "Epistles" where he says:

> I hold it a noble task to reserve from oblivion those who deserve to be eternally remembered.

So I think we can see that historically all nations who have been worthy of the name and who have contributed something to the progress of mankind have heeded the admonition of Joseph Howe. On the other hand, we have those who decry the need for history and with whom I do not personally agree. But it may be of interest to the house to know that there are some who feel it is not necessarily important to record and honour the past in order to create a great nation. Among the great iconoclasts in this regard was Henry Ford, who said when he appeared as a witness at Mount Clemens, Michigan, when he was suing the Chicago *Tribune* in a libel suit in July, 1919, and I quote from the record of the trial: "History is bunk".

That may be, Mr. Speaker, but I suggest that, bunk or no, it should be recorded and given a place of honour in our annals. Again, Thomas Jefferson said in his "Writings":

> History in general is only as infamous as what is bad in government.

Thomas Carlyle said:

> Happy the people whose annals are blank.

Montesquieu said:

> Happy the people whose annals are tiresome.

Again, this view of history was probably summed up best by Schiller in his "Tablets" when he said:

> How the best state to know? It is found out like the best woman—that least talked about.

According to these gentlemen the less you talk about your history the better it is, but I think most of us would decry this view and

accept the fact that what is very much needed in this country today is a greater appreciation and a wider knowledge of our history.

Not too long ago I had the pleasure to be in Washington during the Easter period, and I was very much impressed with the enthusiasm and the great thirst there is on the part of the people of the United States of America for their history and their past. One could not go to the Washington monument or the Lincoln memorial without coming away with a great awareness of the sincerity of the people of the United States, of their keen desire to know more about and feel their past and their history. Surely monuments such as these and also the Jefferson memorial in Washington are something we should think about very seriously.

When one sees thousands of boys and girls climbing the stairs or taking the elevator to the top of the Washington monument and then coming away with a deeper knowledge and appreciation of their past, when one sees in that great monument the contributions brick by brick and stone by stone by the various states, from various churches, from various groups throughout the length and breadth of that nation who have contributed funds and materials to that monument, he cannot but wish that we had memorials of this kind, great achievements in architecture and construction but, more than that, great achievements commemorating the past history of the United States and its heroes, which is something that we do not appear to have accomplished here.

I had the pleasure and honour of visiting the Lincoln memorial just at sunset and reading the second inaugural address which is completely inscribed on the walls of that great memorial. When one sees the figure of that great man with the second inaugural address facing it, one cannot help but reflect on the very great part that Abraham Lincoln played in their history and one cannot help but wish that we here in Ottawa had memorials to commemorate at least Sir John A. Macdonald and Sir Wilfrid Laurier in the same fashion, to the same degree and with the same dignity and exaltation that accompany the Washington monument and the Jefferson and Lincoln memorials in Washington.

True, we have memorials and statues. I think that the memorial chamber of the House of Commons is something we should all be proud of and cherish, but I think we need to do something on a wider scale and of greater stature, something to indicate that we are very proud of the heroes of our past, be they of French or Anglo Saxon origin, or be they of the other peoples who have contributed so greatly to this land. I think we need to honour our past and our heroes more now that we have ever needed to before, because if this nation is to survive it can only survive if we appreciate our roots, if we appreciate our antecedents and if we take gladly now the very fact of our differences. If we try to hide our differences, if we are a little diffident about the fact that in our past we have different founding races and nationalities, then indeed we will not thrive and we may not even survive.

So, Mr. Speaker, may I commend the hon. member for the thought he has expressed in this bill. I take great honour in supporting the thought he has expressed. I should like to go a great deal farther than he has suggested. I believe the time is ripe not just to spend public moneys on bridges and other utilitarian things. If we have found out nothing else in the past two or three years, surely we have found that a nation does not survive by bridges, roads or public buildings alone which have utility as their only purpose. We need monuments. We need heroes. We need to look proudly at our roots of the past.

In supporting the hon. member's bill I suggest that not only should we have a Sir John A. Macdonald day, but that as a start in honouring our past history we should build here in Ottawa, the capital of this nation, the place where all people should come who wish to honour our history, two great memorials of the same stature and the same architecture as the Washington monument and the Lincoln and Jefferson memorials. We should build two great memorials honouring Sir John A. Macdonald and Sir Wilfrid Laurier. Let us start from there and then let us build other monuments to our past so that all who come after us may be proud of the antecedents of this nation and of our past history.

Mrs. Jean Casselman (Grenville-Dundas): Mr. Speaker, I have listened very closely to the hon. member for Renfrew South (Mr. Greene) and welcome indeed his support of Bill No. C-31. It is probably no surprise to any member of this house that I too wish to support this bill. Unlike those young people who have not yet heard of Sir John A. Macdonald, I cannot remember a time when I did not hear of him very frequently, if not daily. Sir John A. Macdonald is synonymous with Conservative, in fact, with Tory, and no matter how many times I am called a Tory I have always, however it is meant, taken it as a compliment. I am a Tory. However, it is quite obvious that that is not the reason I am supporting Bill No. C-31, an act respecting Sir John A. Macdonald day. It would not be reasonable to invest this bill with political overtones or party ambitions. It would seem to me to be an insult to our historical growth to do such a thing.

First of all, I would support it because I am sure of the basis of this bill, because of the character of the hon. member for Queens (Mr. Macquarrie) who has introduced it. There is no more intelligent or sincere member in this house. He has not been known, to my knowledge, in this chamber or outside of it to make statements that have not been well thought out and always moderate. Second, I feel that in reaching this almost unbelievable standard of living that our country enjoys, in spite of our short age, our geography, our climate and our relatively small population, we have of necessity concentrated on material and physical demands. We must beware of neglecting the intangibles which would probably have come automatically through development under slower conditions of growth.

Every country has had its national figures and history is more meaningful, more real and more alive when we see it through personalities. Those who follow can identify themselves with other human beings in many different ways. It seems to me that this is the purest link with our past, with what may be unfamiliar and increasingly obscure as the years and the decades go by. Every Canadian should have a deep feeling for the process of compromise, conciliation, diplomacy and the enormous effort that went into the confederation of 1867. How better to develop this feeling than to set aside a day which will recall the successful results? By calling this day after Canada's first prime minister, we will also recognize a factor that must not be lost sight of in the dust of the political arena, and that is the factor that the office of prime minister warrants respect on all occasions. It is a permanent position not to be overridden by new theories or even by rebellions. Respect does not develop automatically. The respect accorded Her Majesty, Queen Elizabeth II has not come about by accident. Into it goes many years of attitudes, changing, maturing, sometimes weakening and sometimes strengthening.

Victoria day goes all the way back to 1845, and now incorporates Elizabeth II's birthday as well as that of the early Queen Victoria. Victoria day and Dominion day are really the only two of our nine statutory holidays that can be completely designated as historical. Although Remembrance day has a close connection with our national history, it is none the less more personal. That day our minds dwell most on the courage and service of Canadians and their individual and personal sacrifices.

It seems to me the time has come when we should guard the legends, the memories that deepen and strengthen in any country as the years go by. We can well afford at this time when our need for unity is so great, when our desire for unity is so often expressed, to make every effort, take every possible step that will lead us in that direction. I feel that a national holiday named for our first prime minister would be good for Canada and good for Canadians. It would remind us of our history and our form of government in a pleasant, relaxed way. Citizens need not always be reminded of government by taxes, ponderous speeches or by the political thrust and cut, which is sometimes tiresome to those who do not follow it closely.

Let us give Canadians a holiday by means of this act, thereby reminding ourselves that, overriding the problems that come and go in any country, is the fact that we are glad that confederation took place in 1867. We are glad that we have a system of government headed by a prime minister, and all that that means in protection against rigidity, against oppression and rule by force.

Mr. Gerald A. Regan (Halifax): Mr. Speaker, it is with considerable hesitation that I follow the outstanding contributions made by the hon. member for Queens (Mr. Macquarrie), the hon. member for Renfrew South (Mr. Greene) and the gracious lady member for Grenville-Dundas (Mrs. Casselman). I want to say that I am wholly in sympathy with the aims of the hon. member for Queens, namely that we should do more to protect the records of our past and to see to it that all Canadians are aware of the accomplishments of the statesmen who helped, as a team, to make Canada possible. I am not sure that I would be wholly in accord with the idea of a holiday specifically set aside as John A. Macdonald day. Certainly this prime minister, our first, was a remarkable Canadian and a man who contributed a tremendous amount to the development of the nation.

I thought perhaps one of his greatest accomplishments, and I am not sure I wholly applaud it, was the fact he was able to break the back of Nova Scotia's opposition to confederation by enticing Joseph Howe into the federal cabinet in 1869. I am not just sure how that was accomplished. There have been suggestions from time to time that the social graces that were mentioned at an earlier stage of this debate may have had something to do with that accomplishment. It was said by Sir Wilfrid Laurier on June 8, 1891, at the time of the death of Sir John A. Macdonald, that Sir John A. Macdonald now belongs to the ages and that it could be said with certainty the career that had just closed was one of the most remarkable careers of the century. I think this tribute from Sir Wilfrid is the measure of the mark Sir John A. Macdonald made on Canada.

While he has been one of the truly great Canadians of the past, I suggest that we must find a way somewhat between the neglect of the past for public figures and the extreme cult of the personality with regard to historic figures that has been shown in the United States and some other areas. We must find a middle path. We must find recognition for all of the great statesmen and prime ministers that followed John A. Macdonald I think that that recognition cannot be best found necessarily in national holidays. I feel that at the present time our July 1 holiday is a holiday that marks the memory of John A. Macdonald, Laurier, Joseph Howe and of all of those men collectively in something like a typically Canadian approach to our memory of the past.

I believe that our broadcasting systems, radio and television, and our schools could do far more than has been done in the past toward honouring the memory of our great men. Some of us had occasion, a year or two ago, to see a documentary on C.B.C. television concerning the life of Joseph Howe. It showed only the picture of a man that was a bit on the seedy side at the end of his career. It showed little of the greatness of Joseph Howe or his accomplishments. Coming from a province that has sent forward as prime ministers Sir Robert Borden, Sir John Thompson and Sir Charles Tupper, and a province which educated Right Hon. R. B. Bennett, I must say that I feel all these men and many others who served this nation should be recognized by the publication of concise and readable biographies. If necessary, government action should be taken to commission a number of concise biographies which could then be part of the curriculum of the schools of our country. I suggest this plan, if it would not be considered an invasion of provincial rights. Certainly, there is a great deal that can be done in that direction. I know of nothing that puts it better than the words that were read by the hon. member for Queens (Mr. Macquarrie) in which Joseph Howe said that it was the wise nation that preserved its record.

Mr. Deputy Speaker: Order; the hour appointed for the consideration of private members' business has now expired.

BUSINESS OF THE HOUSE

Mr. Deputy Speaker: It is my duty, pursuant to provisional standing order 39A, to inform the house that the questions to be raised at ten o'clock p.m. this day are as follows:

The hon. member for Bow River (Mr. Woolliams), the administration of justice, the holding of Mr. Eric Hooper, a United States citizen in a Toronto jail for an undue length of time; the hon. member for Winnipeg North (Mr. Orlikow), the administration of justice, representation by counsel of persons detained for deportation; the hon. member for Swift Current-Maple Creek (Mr. McIntosh), transport in the prairie provinces, the closing of railway stations and the removal of agents.

At six o'clock the house took recess.

AFTER RECESS

The house resumed at 8 p.m.

FARM CREDIT ACT

AMENDMENTS INCREASING AUTHORIZED CAPITAL, MAXIMUM LOAN LIMITS, ETC.

Hon. Harry W. Hays (Minister of Agriculture) moved the second reading of Bill No. C-100, to amend the Farm Credit Act.

He said: First, speaking about the substance of this bill, I should like to say I appreciate—and I am sure the farmers of Canada will also appreciate—the co-operation of all members in getting through the resolution stage so that we could have the bill before us during our discussion today.

The bill proposes a substantial increase in the public funds available to the Farm Credit Corporation and a doubling of the maximum amount of loans available to farmers from the corporation.

In discussing the bill I would like to explain why the government believes these changes are necessary to help farmers establish economic farm units and to assist them in building better houses and other buildings, and in buying the livestock and equipment they need to operate efficiently. The Farm Credit Corporation was established in 1959 as a revised version of the old farm loan board. The corporation's authorized capital was set at $8 million. The Minister of Finance was then authorized under section 13 of the Farm Credit Act to lend the corporation up to 25 times the authorized capital, or $200 million. This was increased to $300 million in 1961 and $400 million in 1962. But the volume of the corporation's lending has continued to increase so rapidly that it is in danger of running short of funds unless parliament fairly quickly approves the further extension of its resources proposed in this bill. The corporation had its busiest year ever during the fiscal year ended March 31, 1964. It approved 8,689 loans for a total amount of $108,009,100.

I have here a brief table summarizing the growth of lending by the corporation since its inception and I would ask permission to have

these figures printed in *Hansard*. They are provided by the corporation.

Mr. Deputy Speaker: Is that agreeable?

Some hon. Members: Agreed.

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

SUMMARY OF LOANS APPROVED BY THE FARM CREDIT CORPORATION

Fiscal Year	Number of Loans Approved			Amount of Loans Approved			
	Number of Loans	Increase over Previous Year		Amount Approved	Increase over Previous Year		Average Loan
		Number	% Increase		Amount	% Increase	
				$	$		$
1959-60*	5,339	534	11%	40,031,250	9,886,300	33%	7,550
1960-61	5,597	258	5%	60,704,050	20,672,800	52%	10,120
1961-62	5,885	288	5%	68,574,850	7,870,800	13%	11,900
1962-63	7,438	1,553	26%	90,924,300	22,349,450	32%	12,200
1963-64	8,689	1,251	17%	108,009,100	17,084,800	19%	12,430

* Under the Canadian Farm Loan Act until October 4, 1959.

Mr. Hays: The money available to the corporation is used much in the nature of a revolving fund. Principal repaid by farmers which in the last year amounted to about $25.5 million is available for re-lending, thus reducing the net amount the corporation must borrow from the Minister of Finance.

As I indicated a moment ago, because of the increased lending in recent years the present funds are not going to be enough to meet the needs of farmers this summer. The corporation has commitments to the Minister of Finance or to farmers in the form of loan approvals of about $378 million. This leaves only $22 million, besides principal repayments by farmers who already have loans, to cover new loan commitments. Based on current demands for loans and the rate of repayment on existing loans by farmers it is estimated that the additional $200 million in funds which this bill proposes to make available should be enough to keep the corporation in loan funds until late in 1966.

Before discussing the other amendments to the Farm Credit Act which are proposed by this bill I would like to point out that these are not all the changes we are considering in farm credit legislation. Because of all the changes taking place on farms, changes are taking place in the requirements for farm credit programs. The federal government is involved in farm credit in various ways. The Department of Veterans Affairs through the Veterans Land Act administration provides credit to full-time and part-time farmers who qualify as a result of military service. Intermediate term credit is available to farmers through loans from the chartered banks guaranteed by the government under the Farm Improvement Loans Act. The Department of Forestry in administering the Agricultural Rehabilitation and Development Act is also vitally interested in farm credit, and the use of credit in furthering its programs. All the provinces are also involved one way or another in providing credit to farmers.

For all these reasons we have decided that there is a need for co-ordinated study and research in this field to provide a basis for a more comprehensive farm credit policy which will take into consideration all forms of credit needed by farmers.

We want to find out where the gaps are in existing credit facilities and what role should be assigned to each of the various agencies in the farm credit field. We have, therefore, established an interdepartmental committee on farm credit. It is under the chairmanship of the director general of my department's economic branch. It has representation from the Veterans Land Act administration, the Department of Finance, the Department of Forestry and the Farm Credit Corporation. It has been established on a continuing basis. Its function is to appraise the total credit needs of Canadian agriculture, arrange for studies and research for that purpose, and consider and report on submissions and representations to the government about farm credit matters. From its appraisal of credit requirements this continuing committee on

farm credit will make recommendations to the Minister of Agriculture about existing farm credit services and any new services considered necessary for the proper development of Canadian agriculture.

One of its first responsibilities will be to consider and recommend ways in which the provinces and the committee might best co-operate to ensure that federal farm credit policies are co-ordinated with the programs and the needs of individual provinces. We recognize that existing farm credit programs are doing a good job for farmers within their respective bounds. But I believe this committee will provide the basis for bringing about greater co-ordination of existing programs and ensure that we keep right on top of new credit problems arising from the dynamic changes now taking place in agriculture. In the meantime, however, there are new farm credit needs which must be met now, and in the legislation proposed in this bill we are trying to meet them in so far as they refer to long term mortgage credit.

The Farm Credit Corporation recently reviewed government sponsored farm credit programs in 11 principal agricultural countries. It has made a more detailed study of two national farm credit services in the United States, and it has also made a survey of a cross-section of 2,600 Canadian farmers, to see just what their present uses of credit are, what they think they will need in the immediate future, and any shortcomings they think exist in present services. The complete results of this survey are not yet available, but it has already been shown that many of the farmers consulted felt that existing limits on loans from the corporation are too low. So we want to move on this now. We want to do everything we can to make sure the corporation fulfils its role in the long term mortgage credit field.

Since the corporation started its operations in 1959 the percentage of farmers taking maximum loans has gradually increased. In the last fiscal year 11.3 per cent of those who borrowed under part II obtained maximum loans of $20,000, and 15.6 per cent of those borrowing under part III took maximum loans of $27,500. In other words, about 1,000 farmers last year borrowed the maximum amount available to them under the Farm Credit Act. In many cases these maximum loans were not enough to meet the farmers' needs for long term mortgage credit. As a result, instead of having long term loans to carry debts which should have been carried by long term loans, many farmers had to carry this type of debt on short term, or intermediate term loans, often at interest rates much higher than the corporation's or, for that matter, at rates much higher than would be considered an economic or unsubsidized rate of interest for the corporation. There has also been an increasing number of farmers operating good family farm units who have not borrowed from the corporation because the present maximum loans would not have been enough to meet their minimum needs.

Canadian farmers have established an excellent record with the Farm Credit Corporation. They have shown that they know how to use credit to increase the efficiency and productivity of their farms; they have shown a willingness to use good advice from the corporation, and they have also shown a willingness and an ability to repay their loans. If we are going to make it possible for them to go on producing more efficiently and to improve their standards of living, and in doing so to continue improving their service to the Canadian consumer and the general economy of the country, then I believe we have got to do everything we can to ensure that they can get the credit they need.

The present limits are $20,000 under part II of the act, which covers standard loans not supervised by the corporation, and $27,500 for loans under part III of the act, which covers loans that are supervised by the corporation. Hon. members know, of course, that the maximum term in each case is 30 years. Rapid changes have taken place in agriculture since that time and it is evident that the present limits on loans are no longer adequate to establish efficient, viable family farms in many sectors of Canadian agriculture. By doubling the size of the loans, as proposed in this bill, the government believes an important step will be taken toward improving the corporation's capacity to help farmers in the way they need help and in a way that enables them to help themselves. That is the kind of help all our farmers want—a chance to make the best possible use of their time and energy and the resources of their farms. I want to point out also that the proposed increase in the maximum loans obviously will not prevent the corporation from continuing to make small loans to those farmers who do not need or want big loans.

Now I would like to say a few words about interest rates. Hon. members will be aware that the royal commission on banking and finance has recommended that loans made by the corporation should be at an economic rate of interest. The present statutory limit of 5 per cent is, in effect, an uneconomic or subsidized rate. The present cost of money to the corporation, based on a 20 year term, is $5\frac{3}{8}$ per cent, and the cost of administration was a little less than 1 per cent during the past fiscal year. The government recognizes,

however, that the primary objective of credit from the corporation is to help farmers to build up their farms to an efficient economic size so that they will have an adequate standard of living and be able to repay their loans.

We have taken the position that in order to assist the smaller farmer to expand his enterprise to economic size and improve his standard of living we should be willing to provide him with the required credit up to the amounts available under the Farm Credit Act at the present time at a rate of 5 per cent. However, when the farmer borrows amounts above the present limits, we believe it would be reasonable that he should pay for this additional money at an economic rate which will vary, of course, from time to time according to the cost of money to the corporation. I might say here that this economic rate is the price that the federal government will have to pay for money. It is proposed that this rate will be fixed by the corporation, subject to approval by the governor in council, and will not be more than the interest charged to the corporation for this money, the cost of administration and a reasonable reserve against loss.

I do not believe farmers will object to paying this economic rate. They are getting this additional capital now at costs much higher than will be charged them by the corporation, and on terms which are much less satisfactory to them. Many farmers have said, "Make the credit available to us so that we can establish good, efficient farming enterprises, and we will pay the interest rate that is required". The additional cost, when spread over a number of years, will certainly be less than the additional income the farmers will be able to earn by getting this additional credit on proper terms.

Some of the other amendments proposed, while they may not seem significant at first glance, can be of real importance in the operation of the corporation. One amendment will make it possible for the corporation to lend to the executor or administrator of an estate of a deceased farmer, and thus the corporation will be able to assist the farmers' heirs to continue to operate and develop their farms, even though the estate may not yet be fully settled. Another amendment will make it possible for a father or an uncle to borrow money to assist a son or nephew or other relative to buy a farm. This particular amendment will be of great assistance to the corporation in its efforts to establish young men in farming. Many of these young men being started in farming obtain loans under part III of the act. As the act now stands, when a farmer borrows money under part III, part of the loan is secured by chattels and that part must be repaid within ten years. This means that payments during the first years of the loan, when the young man has the least equity and the least income and is trying to develop his farm, run as much as 30 per cent higher than they are during later years. So we are proposing that the corporation be permitted to amortize a loan under part III of the act throughout the entire 30 years. This will eliminate the large payments during the early years while the young farmer is struggling to build up his farm. This particular proposal will make it much easier for farmers just getting started.

I think we would do all farmers a favour in considering this bill if we remembered that the Farm Credit Act is intended to serve only the long term credit field. Intermediate term credit for the purchase of livestock, machinery and other such purposes is provided for under other legislation and we can discuss these other credit problems when such other legislation is before the house for consideration. I would not wish to leave the impression that the present bill represents all the changes we will eventually want to make in the operations of the Farm Credit Corporation. The government is concerned, and I am sure hon. members are concerned, about the welfare of those farmers who are unable to qualify for loans under the Farm Credit Act, either because of the limited production from their farms or because they do not have the required equity.

The Farm Credit Corporation has done a lot to assist the small farmer to enlarge his unit to the point where he can make a good living for himself and his family. About 45 per cent of the money lent by the corporation last year went to help farmers to buy more land. Unfortunately, there are many faced with problems which credit by itself will not solve. Others who want to start farming, and have not the capital they need to get going, could not afford to borrow and pay back all the money needed to buy a good farm together with the livestock and equipment, particularly with the price of land in some parts of Canada today.

To solve these and other problems of a similar nature requires the co-ordination of the resources of several agencies. We need to get all of the people who are involved in agricultural development to work together to develop and to apply the policies and programs to get at the roots of the problems.

One of the principal purposes of the farm credit study committee we have set up will be to determine how credit can best be used as one of the means to assist these people. As the committee's work gets under way we can expect further improvements in our program

to help farmers. Meanwhile, the amendments proposed by this bill will do a lot to improve the capacity of the corporation to reinforce and strengthen the family farm in Canadian agriculture. They are amendments which we believe are needed right now. I think there is a lot to be said for doing everything we can to keep the family farm. As the communist countries have learned all too well, there is nothing like the pride of ownership to encourage a farmer to do his best. After all, why should he not do his best when he knows he is doing it for himself? But besides the obvious benefits to all Canadians that arise from this pride of ownership on our farms, there is the feeling of independence and self-reliance which farmers get from working for themselves. This is something which cannot be measured in dollars and cents, but I do not think any hon. member would argue that it is not a very valuable extra commodity that this country gets from its farmers.

This measure, Mr. Speaker, is in two parts. We are now considering the farm credit bill, and then there is the administrative side of the act. The annual report of the Farm Credit Corporation is now in the hands of the queen's printer and we will be tabling it in the house before the end of June. If hon. members wish to question the administration we would be quite happy to have this report referred to the standing committee on agriculture and colonization for consideration. The officials of the corporation would welcome this opportunity to discuss the administration of the Farm Credit Act with the agriculture committee in the hope that improvements may be made, because hon. members represent the different views and problems of all of the provinces. We are trying all the time to improve the administration of the act, and I think this would be an opportunity for hon. members to bring forward their ideas on the administration of the act. I spoke to the manager of the corporation this evening and he said he would welcome the opportunity to have this report before the committee where we could probably learn a great deal more. In the last few months we have been able to cut the time for servicing these loans by days. At the moment we are lending something like $1 million a day and we have about $22 million left. Some days it is a little more than that, but I am sure hon. members can see the urgency of getting the bill approved by the house so that credit to the farmers is not held up.

[*Translation*]

Mr. Clément Vincent (Nicolet-Yamaska): Mr. Speaker, before speaking to Bill No. C-100, to amend the Farm Credit Act, I wish to congratulate very warmly the officials responsible for the administration of that act. We now have throughout the country a group of civil servants who are truly a credit to the legislation passed by this house in 1959 and who have worked hard in each of the provinces to bring their essential contribution to the development of agriculture in Canada.

Of course, this legislation, passed in 1959, may not have been perfect. It had to be amended and what we heard tonight is the logical follow-up to the legislation passed by the federal parliament.

We remember that when the Progressive Conservative party took office in Ottawa, in 1957, it realized that Canadian farmers needed sufficient credit to make their enterprises economical. Today, farmers, the Liberal government and its supporters here have come to understand that credit is useful, indeed, absolutely necessary on the farm. We commend the Minister of Agriculture (Mr. Hays) for introducing tonight the first piece of legislation concerning agriculture since the present government took office on April 22, 1963.

In his remarks, the minister stated that this act has been most beneficial to Canadian farmers. Yet, one must remember what happened here in that connection in 1959.

To begin with, the first measure that the former government introduced was to transfer the administration of the Farm Credit Corporation which, in the past, came under the minister of finance to the Department of Agriculture, which was absolutely necessary in our opinion.

Second, when that legislation was passed in 1959, the limit of loans was raised from $15,000 to $20,000. Moreover, part III of the act was included, raising that limit to $27,500.

In the third place, the interest rate was established at 5 per cent in 1959.

And in the fourth place, the object of the act was to establishing regional offices in various provincial centres, to have the farmers meet the farm credit advisers, and discuss credit advances with them, in the same way as the businessman meets with his bank manager to discuss his affairs.

May I tell you, Mr. Speaker, that to my mind those local offices have, until now, answered the wish of the former government to have the farmers meet and discuss their credit problems with those officials. We would like those offices to continue the work they have started, making a contribution which the farmers lacked but too often in the past

and which today, enables them to obtain the valuable advice they need for setting up their farm.

Moreover, when certain improvements were made in the Farm Credit Corporation Act in 1959, it was able—if we look at what happened during the former administration, from 1958 to 1963—to land an amount of $290,379,400 in a six-year period. Let us compare this sum of over $290 million with the amount of $110,667,349 loaned to the Canadian farmers under the former Liberal rule over a period of 22 years. Which means that since 1959 farm credit has played its part in our economy and more particularly in our farm economy.

As a member from Quebec, I must say that in that province, 804 loans for a total amount of $11,434,700 were granted in 1962-63. As far as 1963-64 is concerned, we have, as yet, no official figures available, but another increase is foreseen, which means that for 1963-64 alone, half of what was lent during the period from 1930 to 1959 was awarded in the form of loans.

Now, Mr. Speaker, as I said before, the legislation introduced by the government in the house concerning farm credit will not be perfect and it certainly ought to be improved. The effects of the 1959 act is still felt today because, in 1959, the maximum was, after due consideration, established at $20,000, which meant some progress. When the maximum of supervised loans was raised to $27,500, it was just another step forward. Now, today, the Minister of Agriculture announced that a committee was formed to proceed with research in farm credit matters. Well, we know that such a committee was also set up in 1958. That committee went from one Canadian province to another to enquire about credit facilities for our farmers and made a report to the minister of agriculture which resulted in the 1959 legislation.

That other committee now being set up will do more research, even in foreign countries, in order to bring about improvements which I think are necessary. Because of the continued development of agriculture, it is necessary to accept improvements to give more assistance to the Canadian farmer.

However, I would have liked, before discussing Bill No. C-100, to have an opportunity to study the amendments to be brought to the Farm Improvement Loans Act. Of course, there will be some, because under part III of the act, you can go to a maximum of $55,000. The Farm Improvement Loans Act will have to be amended to increase the maximum from $7,500 to $15,000.

We do not know what the amendments to the Farm Improvement Loans Act will be, but we greatly hope—and I say this on behalf of farmers—that the interest rate will remain at 5 per cent up to the amount of $15,000.

I come back to that maximum which was of $20,000 under part II and which will now be increased to $40,000. We heard the minister say, a while ago, that the interest rate will be 5 per cent on the first $20,000 and that, on the balance of the loan, the rate will be the actual cost to the Farm Credit Corporation, plus administration cost. If I understand correctly, it means that the farmer, on that amount in excess of $20,000, will pay an interest rate of some 6½ per cent, which I think will not be accepted by Canadian farmers.

The minister said that Canadian farmers would not object to the suggestion by the Department of Agriculture. Well, as far as I am concerned, I say that it is a door open to the possibility of raising the interest rate on the farm credit in the near future. You first give an inch and, within a few months or maybe next year, the Minister of Agriculture will tell us: Now, we will accept the recommendations of the royal commission on finance and ask Canadian farmers to pay a flat interest rate of 6 or 6½ per cent. That is the main reason why I object to the fact that this government should charge an interest rate higher than 5 per cent for the amounts over $20,000 that farmers will get on loans.

Moreover, this means that in the province of Quebec we can get from the provincial government an interest refund of 2½ per cent, up to $15,000. So the farmer pays 2½ per cent for a federal loan of $15,000. If the federal loan is $20,000, the Quebec farmer pays 2½ per cent on the first $15,000, 5 per cent on the other $5,000, and if there is, thanks to this new legislation, a $25,000 loan, we will have a rate scale as follows: 2½ per cent on the first $15,000, 5 per cent on the next $5,000 and 6 or 6½ per cent on the additional $5,000. This means that farmers will have to pay three different rates of interest on the same farm loan. As I said a while ago, I am more and more convinced that this is an open door which will enable the minister to tell us next year. Let us increase the interest rate in order to make it uniform on all loans, namely 6 or 6½ per cent and let us accept in that way the recommendations of the royal commission on banking.

The minister said that he was ready to help small farmers with an interest rate of 5 per cent. In my opinion, this interest rate of 5 per cent, if we figure it out on a 10 year basis, is enough to meet fluctuation on the interest paid by the Farm Credit Corporation. Some loans may be made at 4 per cent, others at 4½ per cent, others at a lower interest.

I am convinced that over a 10 year period, the Farm Credit Corporation can, with a 5 per cent rate, meet its obligations without having to be subsidized by the federal government and the Department of Agriculture.

Moreover, even if the Minister of Agriculture grants a subsidy of a few hundred thousand dollars for the farm credit administration, that is worthwhile because this legislation enables our farmers to organize their farms on a basis which gives them a decent living.

There are improvements in the legislation now under study. For instance, we see that apiculture will be included in the description of the word agriculture; this new description which extends the meaning of the word agriculture will be accepted by several persons as an improvement. But it will be necessary for the Farm Credit Corporation to pay special attention to those who will apply for a loan, because we must not forget that agriculture, in certain area, operates on a commercial basis.

Moreover, there are in this legislation changes concerning loans under Part III of the act. Formerly, an amount of money was loaned and had to be repaid within 10 years. With this new legislation, authority is given to spread the repayment over a 30 year period.

Looking at that, a question immediately comes to mind which I should like the minister to answer. That question will also be asked by all farmers already having a loan under part III. What will happen to those who already have been granted a loan by the Farm Credit Corporation and who have to pay back the amount, under part III, on a 10 year basis? Will the Farm Credit Corporation be authorized to extend those payments from a 10 year to a 30 year period?

No reply was given to that question, that is, in his statement the minister did not deal with this aspect of the question. So, on the farmers' behalf, I ask him to consider the possibility of having those borrowers benefit from that amendment and placed on an equal footing with the new ones who will be entitled to pay back their loans under part III over a 30 year period.

Mr. Speaker, although we are discussing this evening the first amendment to a piece of legislation introduced by the previous government, I find once again that there are not too many Liberal members in the house. The fact is to be noted, because each time we speak of agriculture, each time we are dealing with a farm problem, the same thing happens. Our good friends the Liberals show little interest.

Mr. Choquette: That is not true.

[Mr. Vincent.]

Mr. Vincent: If you wish, we shall figure out how many government members there are in the house now.

Mr. Deputy Speaker: Order. I should like to call the hon. member to order by asking him not to stray from the subject now before us.

Mr. Vincent: Mr. Speaker, with all due respect, I wish to point out that my remarks fall within the limits of this debate because we are discussing a very important measure, and if our friends the Liberals do not want to discuss it or hear about it, it is because they are not interested in the part this government must play to help agriculture in Canada, especially in eastern Canada—

Mr. Choquette: Mr. Speaker, on a point of order. In my opinion, what the hon. member for Nicolet-Yamaska (Mr. Vincent) is saying is entirely incorrect. Nothing could show better the interest the Liberal members take in agriculture than the fact that we are studying tonight an excellent bill introduced by the government. Therefore, agriculture is close to our hearts.

Mr. Vincent: I thank the hon. member for Lotbinière (Mr. Choquette) for saying that this is an excellent bill, because it is simply the logical follow-up to the legislation we passed in 1959. That is partly the reason why I pointed out that there are only 16 Liberal members in the house; I wanted the hon. member for Lotbinière to rise and praise the merits of this act passed by the Conservative government in 1959.

Mr. Habel: Would the hon. member allow me to ask him a question?

Mr. Speaker, I am sure that the hon. member wants to be fair to his colleagues. He must read the papers and he knows very well that most Liberal members are attending a banquet tonight. Therefore, I ask him to show his colleagues the same respect we have for the members of his party when they have party meetings.

Mr. Grafftey: Is that a question or a statement?

Mr. Vincent: I thank the hon. member for calling my attention to the fact that tonight 116 Liberal members are attending the banquet of the Liberal federation and are, therefore, more interested in Liberal banquets than in agriculture.

Mr. Habel: Just like you, when you have meetings.

Mr. Vincent: Now, Mr. Speaker, we will have the opportunity of examining the bill thoroughly, section by section.

As I said, we approve of several of the proposed amendments since they will improve the legislation enacted in 1959.

Yet, we will have criticism to offer concerning other amendments such as the possibility of charging more than 5 per cent interest on certain agricultural loans.

Members of our group advocate the establishment of a uniform 5 per cent interest rate. We feel the federal government can authorize the Farm Credit Corporation to grant loans to Canadian farmers at no more than 5 per cent interest.

We would also ask the government and the Minister of Agriculture (Mr. Hays) to consider the possibility of providing in the legislation that existing loans, which were granted under part 3 of the act and which are to be repaid within ten years, be revised in such a way that those borrowers may be on the same footing as those who borrow from the corporation in the future.

A while ago the minister stated that the official report of the Farm Credit Corporation will be referred to the agriculture committee after its publication. We welcome that announcement because corporation officials will surely be in a position to give us information which will be useful not only to hon. members but also to all farmers in Canada. However, before accepting the minister's proposal outright, I must tell him that the committee on agriculture must first of all study the question of feed grain before tackling any other matters.

To conclude my remarks, Mr. Speaker, I repeat what I said at the beginning. We shall approve Bill C-100 with some reservations, as I pointed out earlier.

[*Text*]

Mr. H. W. Herridge (Kootenay West): Mr. Speaker, this is a most important piece of legislation, which will affect the lives of a good many Canadian farmers across the country, their families, the communities in which they live and the nation as a whole. I rise on behalf of this party to support the principle of the bill. We will have some suggestions to make in respect of one or two amendments when we get into committee of the whole. But, Mr. Speaker, I wish to congratulate the Minister of Agriculture (Mr. Hays). Knowing of his firm belief that free enterprise should extend from here to eternity, I wish to congratulate him for introducing this socialistic piece of legislation which gives effect to socialist philosophy as preached by this group throughout the years, to the extent that it provides for co-operation between the government and individual farmers by way of long term low interest loans to the advantage of the government, to the advantage of the farmer and to the advantage of the state. This is the gospel that we preached in this house ever since this party was formed. I sincerely congratulate the minister. Honestly, Mr. Speaker, I believe that if the minister were in this house for 40 years he would finally apply for membership in our party.

This party, as its predecessor the C.C.F., has for many years urged the need for long term low interest loans to farmers. There is quite a long history of long term low interest loans in European agriculture. However, it has only been developed in satisfactory form in recent years in Canada. I remember well that I made my first speech on behalf of this party on this subject in 1945. It has taken a long time for this party and farmers organizations to create a public climate that would affect the opinion of old line parties in this house to the extent that we saw this legislation introduced initially by the former government.

For years farmers organizations across Canada have been urging the need for this type of legislation. For years we have known that the private credit sources could not meet the need, would not accept their responsibility, would not provide loans for a sufficient length of time, would not provide loans at low enough interest and would not condition those loans with satisfactory security for the farmers' tenure. I cannot help mentioning at this time that I am sure there are a good many people in Saskatchewan who rejoiced when a C.C.F. government was elected there and prevented the private lending agencies from collaring their farms because they were behind in their payments a year or two as a result of poor crops and low prices.

Mr. Patterson: And they rejoiced when it went out.

Mr. Herridge: I hear some muttering from the hon. member for Fraser Valley (Mr. Patterson). Honestly, I believe that is a most unkind remark coming from one who is entitled to prefix his name with the word "Reverend".

As a result of this agitation years ago, as a result of the agitation of the old progressive party, which had an influence on the Liberal government of the day and which was later absorbed by the Liberal party, the old Canadian farm loan board was established and functioned for many years. It was an improvement over the previous years, but the legislation was too restrictive and the administration of the act was too rigid. I can illustrate this by citing several cases in my own constituency. I am thinking at the present time of one farmer who made application

to the old Canadian farm loan board on three occasions for a loan. All he received was a letter from New Westminster—nobody visited his farm—informing him that the area in which he lived was not a suitable area for farming, would not provide a satisfactory security for a loan, and so on. On his first application to the Farm Credit Corporation he received a loan in the amount for which he asked, $17,500, and he is doing well now.

This shows the improvement in the act passed by the last government. I admit freely that these amendments are a further improvement of that act. Now, a lot of the research, shall I say, in connection with the problem was done under the Veterans Land Act by the Veterans Land Act administration. I think we should give them credit. They had an opportunity, because of the nature of the legislation which was given effect shortly after the conclusion of the second world war, and they made good use of it. For the first time we had loans on a certain basis and counselling from the administrators of the Veterans Land Act. I think we should pay particular tribute to the work done by Brigadier General J. T. Rutherford, who was chairman of the Veterans Land Act administration, the vice chairman, Mr. G. Owen, the senior officials and the officials in the country.

I would say that I have had quite a long experience in dealing with farm problems, the farmers' need for credit and that sort of thing. I can tell you that my family needed it. If it had not been for relatives dying in the old country we could have starved to death at one time. We could not get credit at that time, but circumstances are somewhat different now. These gentlemen were pioneers in this field, and this new approach to farm credit took advantage of the experience gained by the administration of that act when they not only did research at the head office but co-operated with the officials in the field.

I do want to mention what I think should be considered the lending policy bible. It was prepared by the two officials I have just mentioned. I believe it is an excellent document and I think every member of this house should keep a copy in his files and refer to it. Mind you, the situation will change as we acquire additional experience and the results of more research into this problem, but I do think this publication lays the foundation for the philosophy of farm credit in Canada. I wish to quote briefly from this book which deals extensively with the whole question. Dealing with lending policy, it says:

> The Farm Credit Act, which was proclaimed on October 5, 1959, replaced the Canadian Farm Loan Act. It set up the Farm Credit Corporation, reporting to parliament through the Minister of Agriculture, to take over from the Canadian farm loan board which had reported through the Minister of Finance.

I think that was a wise improvement. When administration is in the hands of a minister of finance the approach is different from that which becomes evident when administration is in the hands of a minister of agriculture—and I am not blaming ministers of finance. They, naturally, concentrate on an entirely businesslike approach whereas a minister of agriculture is in touch with farm requirements and farm organizations. When the minister of agriculture of that day was introducing this legislation he defined its object as follows:

> To assist Canadian farmers in the voluntary reorganization of their industry into economic family farm units, each of which will be of sufficient size to produce, under the operation of the owner, the farm income necessary to meet all operating and maintenance costs, provide an adequate livelihood for the owner-operator and his dependants, and retire any required credit, with interest, within an appropriate term.

I think this is a good definition of the economic family farm unit. All that is required for its success is, first, good land, then markets, and then long term loans at low interest to be repaid out of the production of the farm. The publication goes on to deal with the part this legislation will play in rural development and the author mentions that the legislation is a calculated risk. He says:

> There is no doubt that in bringing down the Farm Credit Act when it did, and in its present form, the government was relying to a very considerable degree on its being efficiently and fearlessly administered in line with its objective of helping to create economic units suitable to, and which could operate profitably in, each agricultural area of the country. This is your job and mine. It is a big responsibility, a great trust, and an inspiring challenge.

He goes on to assert that farmers should be informed of their rights under the act. I think this is a wise observation. Then he deals with the initial interview in connection with counselling, and indicates situations in which loans would not appear to be indicated and situations in which loans would appear to be indicated. Later, he discusses administration in general, and finally he winds up the preamble to this excellent publication by noting the need for co-operation. He states:

> It is most important, therefore, that there be close liaison and co-operation between the corporation at head office, branch and field levels and these other agencies at concurrent levels in order that we may be of mutual assistance to one another in the attainment of a common over-all objective.

Then he urges co-operation between the different branches of the government service, the farm press and radio, national farm

organizations and their branches, the Veterans Land Act administration, the extension services of the provincial department of agriculture, provincial farm credit agencies and agricultural colleges, faculties and schools. Further on, he deals with the need for public relations. Once again, I wish to say that this is an excellent résumé of the basic philosophy of farm credit as applied to Canadian conditions.

Although the act as it now stands is an excellent piece of legislation, the farm organizations, as a result of changing conditions and new experience ever since 1959, have been urging amendments and I wish to quote briefly from a speech made by president J. M. Bentley of the Canadian Federation of Agriculture at Charlottetown, Prince Edward Island on January 21. This is what he had to say:

> In the field of farm credit, I would like to pay tribute to the work of the Farm Credit Corporation. It has been instrumental in enabling many farmers to secure economic farm units and has ensured a higher standard of living for many farm families. However, not all the problems of farm credit can be met by the Farm Credit Corporation as it exists today. Agriculture is changing so rapidly through mechanization that the credit needs of farmers are changing as well. I would like to suggest that we should consider establishing means of thinking the problem through by study and analysis and arriving at new and sound proposals. There are a number of areas in which farm credit needs are not now being adequately met:
>
> 1. Loan limits are probably inadequate under present conditions.

He mentioned this need first, and I see that the request is now being met in the amendments proposed in this bill. The list continues:

> 2. Adequate arrangements for meeting the problem of transfer of farms on the retirement, or death, of the present owners.

I have personal knowledge of a number of cases where this type of amendment is needed.

> 3. Operating, or intermediate credit needs, are not being adequately met by the farm improvement loan program or the present banking system.

We are looking forward to amendments to the Farm Improvement Loans Act. Then the president goes on to deal with the need for emergency or disaster credit which, I trust, the minister is considering. I am one of those who believe that a disaster suffered by a farmer as a result of floods or other natural agency should be borne by all of us, not by the individual alone, and this could be done at very slight cost to the nation or to the farm population as a whole. Then, Mr. Bentley continues:

> In the study and analysis of the above areas, the advisory committee of the Farm Credit Corporation should be given more status and authority so that it can perform a most useful and important function. The advisory committee should not merely confine its activities to matters arising under the act or to matters referred to it by the minister, or the corporation. It should be able to initiate study into the legislation itself and be able to advise the corporation on emerging problems and needs as they arise from time to time.

I read that paragraph because I should like the minister to comment on this suggestion by the president of the federation of agriculture. I judge from conversations I have had with farmers and with officers of local farm organizations that there is great merit in the suggestion. It is one which I think could be put into effect simply by means of administrative changes; there would be no need for any alteration in the legislation, and no doubt this will come about as a result of the minister's more socialistic approach to life.

As I said earlier, the purpose of this legislation was to maintain, improve and develop the economic family farm unit in Canada. Before concluding, I would suggest that changing circumstances in the future will lead to further amendments being required—changes in administrative forms, and so on. I believe there is a great need for continued research on the part of officials of the corporation and the related agencies of the federal and provincial governments, in order that we may make these adjustments from year to year if necessary so as to make the act as satisfactory and as useful as possible. I noticed an article in the current issue of the *Family Herald*. I am a simple sort of soul—

Some hon. Members: Hear, hear.

An hon. Member: Explain.

Mr. Herridge: —and I enjoy reading farm publications. I enjoy reading the letters from people asking how they can cure mammitis in dairy cows, or asking how they can solve some legal problems. These are all human problems to me. I am sure the minister reads them as well and I am sure he would be a very excellent person to answer these questions. Anyway, Mr. Speaker, there is an article in the *Family Herald* of June 4, which publication came on my desk just today. I notice that these farm publications are getting like the others now; they are issued before the date they are supposed to be published. However, Mr. Speaker, this article is entitled "Credit. One economist: Banks don't know farm needs". I shall quote from this article because I think it is worth while:

> For the bulk of Canada's farmers the higher ceilings for Farm Credit Corporation loans asked for in agriculture minister Harry Hays' first measure before Commons will not make much difference. Only 13 per cent of farmers who have received F.C.C. loans so far qualified for the present maximums of $20,000 and $27,000. F.C.C. officials estimate that only some 80,000 or 90,000 of

Canada's farmers will be able to take advantage of the bigger loans when the present ceilings are doubled.

I think that is a pretty healthy number, to start with. The article continues:

The new amendments fall into line with one of the recommendations of the royal commission on banking and finance: That with the high cost of farms today present F.C.C. ceilings simply are not high enough to ease the transfer of many of our farms from one generation to another. The amendments would increase the ceiling on part II loans from $20,000 to $40,000 and on part III loans (for younger farmers under supervision) from $27,000 to $55,000.

The whole question of farm credit has been under review for some time by F.C.C. and departmental offices.

Then this article goes on to indicate the need for continuing studies in this direction. This, Mr. Speaker, is a farm journal indicating that these private sources of credit are simply inadequate under present circumstances. Before concluding I wish to say a word with respect to public relations. I do think that everything possible should be done to inform the farm organizations and the farmers of the terms of this act, its administration and the requirements that have to be met to qualify for loans, and so on. On occasion I have met farmers who were quite uninformed in this respect. I have just been informed by my colleague to my rear that the minister is now writing a weekly column. I had overlooked that. I suggest that the farmers, when they read the publications for which he is writing, could be informed through that column. The farmers organizations and other organizations should be kept well informed in this regard.

An hon. Member: Perhaps your colleague could use his column.

Mr. Herridge: I find that in this type of society these people are too segregated anyway. One finds a small town or village surrounded by a farming community, and very often the organizations have no idea of the detail of this type of legislation and how it is being administered to serve the farmers and producers of the area. I suggest that the officials of the minister's department could very well take time out now and again to give talks, on this and other subjects relating to agriculture, to farm organizations and other organizations in the towns and cities around the countryside that are concerned with agriculture. These talks could be given to Rotary clubs, chambers of commerce, labour organizations, and so on. I suggest it would be a good idea for the minister's officials to make a point of talking to some of the meetings of local labour organizations and letting them know of the farmers' problems and what the government of Canada is doing in an effort to meet these problems. The more we understand one another's problems, the more we will march together. I am a firm believer in this respect, Mr. Speaker, in so far as the differences that are supposed to exist between Quebec and the rest of Canada are concerned. These differences are supposed to be very sharp indeed. When the young hon. member for Lotbinière (Mr. Choquette) has spoken he has sometimes said some quite unpleasant things from my point of view; but actually he is a thoroughly decent type when you get to know him. The point is, you must get to know him.

My point, Mr. Speaker, is that this information can be given through farm periodicals and the press in general. This is about all I am going to say at this time. We will have some comments to make on the various clauses of the bill when we are in committee, and we propose to introduce one or two minor amendments in an effort to improve it somewhat, particularly the lowering of the interest rate to 5 per cent so that it is 5 per cent across the board. In conclusion I congratulate the Minister of Agriculture for the introduction of these amendments, which we in this group consider to be another step forward in the march toward a Canadian co-operative commonwealth.

Mr. H. A. Olson (Medicine Hat): Mr. Speaker, I am sure that every member of this house wants the farm units in Canada to be economical. We take the position, as has been stated by other hon. members of this house from time to time, that land values are continuing to rise, that machinery prices are continually going up, and therefore for farmers to maintain, or first of all establish, economic units it is necessary for the amount of available credit to be increased in line with these increased costs. I want to say at the outset that there are a number of amendments to the Farm Credit Act included in this bill, but I suggest that the main one is to increase the maximum amounts available.

I want to say to the Minister of Agriculture (Mr. Hays) and to the government that simply increasing the limits—the maximum limits, if I can put it that way—to an individual farmer is not going to solve all the problems respecting farm credit. As the Minister of Agriculture pointed out earlier this evening, and as the hon. member for Kootenay West (Mr. Herridge) repeated, only some 13 per cent of the loans granted now are for the maximum amount available. In my experience in discussing this matter of credit with farmers, the limits have been part of the problem in their view, but in addition to that there are many other regula-

tions and points of administration that require review and amendment as well.

Dr. J. C. Gilson, associate professor of agricultural economics of the University of Manitoba, made a rather exhaustive study of farm credit and farm credit requirements in 1958. He had this to say:

> Farm credit is a two-edged sword, make no mistake about that. Used wrongly it can cause grief and financial disaster. On the other hand, credit can be one of the most powerful "tools" of production in modern farming. It takes money to make money, and credit is frequently the starting point.

I want to agree with many of the assertions the Minister of Agriculture made this evening, particularly with respect to the matter of increasing the limits from $20,000 to $40,000 under one part of the act and from $27,000 to a maximum of $55,000 under another part.

There are, as I said at the outset, a number of other measures. Dr. Gilson points out six of these problems which arose in 1958, many of which are just as valid today because the legislation which has been passed through this house and the consequent amendments have not in fact met the problem. In the first place, he says it is practically impossible to estimate the number of farmers who need credit at the present time. There are several types of situations, however, where it is safe to assume that greatly increased amounts of farm credit are needed. The first item he lists is the situation where a father transfers his farming business to his son—in other words, the family farm. Dr. Gilson points out that in this area there was practically no legislation in 1958 to deal with this very serious problem of farm families losing their equity in the family farm owing to a death in the family and a transfer having to be made. The bill before us tonight meets this problem to some extent because it does allow for the administrator of an estate to carry on and have credit made available to him, so that the land and other assets do not have to be sold.

In addition to that another amendment allows a borrower to acquire farmland or to advance money to a son-in-law, daughter or other relative. I think that is a very important improvement. As a matter of fact, the province of Alberta recognized this question of transfers within the family in 1959 and brought in an act specifically designed to take care of such matters when a father had reached retirement age, and so on. I think that what is in the bill is definitely a step in the right direction, although the bill does not go far enough. The reason I say that is because the major responsibility for farm credit rests with the federal government rather than provincial governments. We all know that under the constitution of Canada the federal government is charged with, and given full responsibility for, the control of currency, credit and matters dealing with monetary and fiscal policies in the nation. I think farm credit is primarily one of such activities. Whenever any of the provinces have needed to move in the direction of farm credit it is because the federal government has failed to recognize the need and to pass legislation to fulfil that need.

I believe there are at least four general considerations which should be taken into account in arriving at a sound credit policy for the Canadian farmers. First of all—and this is provided for partly but not completely—there should be provision made for supervised credit primarily for young farmers in low income families. We know there are many very ambitious and capable young men who have the talent to go into the business of farming as a lifetime occupation but are unable to do so because there is not enough credit available for them at the outset to set up an economic farm unit. The raising of the maximum limit alone will not solve this problem.

Another matter not dealt with by the bill is that debt repayment schedules should be tied to rises and falls in farm incomes. I think that most members from the rural areas will agree with me when I say that quite often, in fact in the majority of cases, loans made to farmers are spread over a 20 or 30 years period. There are only a limited number of years when the annual income falls below that level which makes it impossible for him to meet the loan repayments and interest, and it is in that limited number of years that the farmer gets into difficulty. What happens is that he is usually forced to go to other markets and lending institutions outside the Farm Credit Corporation and farm improvement loans legislation and borrow money, not only to carry on his operation but also to meet the required repayments as well. I think there should be some provision made to make it possible to extend the term of repayment by one year when a farmer's income in one year drops below his ability to make the payments required.

I also think it is desirable that the complete financing of farm units be undertaken by one lender. For example, Dr. Gilson says that farms should be financed as a whole unit in contrast to a piecemeal approach. Under the terms of the Farm Credit Act and the farm improvements loans legislation it is possible, or will be when this bill passes, to borrow up to $55,000 both for farm equipment and for land. If we are to make this farm credit administration comprehensive and complete, there should be some provision in the act for these disastrous years when a

farmer is simply unable out of his current income to make the payments he is obliged to make for those years. Quite often these secondary loans, if I may call them that, are taken at substantially higher rates of interest, which only adds to his burden further down the road. I say that because I think that if arrangements were made for these disaster years it would keep the security for the loan made by the Farm Credit Corporation in better standing. With a secondary loan the farmer would be saddled at some later time with higher interest rates and would find them difficult to meet.

I agree with increasing the amount of loans so as to keep pace with the increasing price of land, farm equipment and so on.

The reason I urge the minister and the government to take into consideration this matter of providing some provision for these bad years is because I think, if we look at farm land values over the years, we see we really do not have depreciation at all. In fact, if history is to repeat itself for the next 20 years concerning what we have had during the past 20 years, there will be an appreciation or an increase in the values of all farm land, rather than depreciation, and no one is going to be able to run away with a farm. If the Farm Credit Corporation takes security in a farm, that farm will be there. The dollar value of the farm will be higher, five years after a loan is made, than it is at the time the loan is actually made.

I think the government should also give consideration to increasing the percentage of loan available in relation to the appraised value because, as I pointed out, the farm is there. It consists of land and is a very solid and substantial security. Also, Mr. Speaker, I think that some of the methods and the values that are allowed at this time respecting land are completely out of line with the market price.

We know that F.C.C. and other lenders are very conservative in their appraising of land values, and in many cases when a young farmer is getting started, if he can only obtain something like 75 per cent of the appraised value, this amounts to less than 50 per cent of the actual purchase price. I think that the supervisors, appraisers, assessors—whatever you want to call them—while they have been doing a commendable job have been prevented from using realistic and up to date valuations. For this reason I would urge the government to take another long, hard look at this matter.

The minister referred to what he called an economic rate, when he talked about the interest rates that are to be charged on the added amounts to the maximum limits. I am not sure where that term, economic rate, comes from, but I think that 5 per cent is probably a maximum economic rate and, from the connotation left on that term by the minister, it seems to me he was talking about the cost to the government of the money that is going to be provided. I think that charging a rate above 5 per cent is anything but an economic rate and, if it carries very much beyond that, it will be uneconomic for farmers to purchase land.

Looking at farm costs over the past few years—and the minister has admitted this—depreciation and the other costs of maintaining machinery on farms are not only getting to be, but are now, the major cost factor. He referred to some cases where farm costs studies showed that depreciation and machinery costs amounted to over 50 per cent of the total cost of operating farms. Mr. Speaker, it would be easy to take the position that one could lay all the responsibility for this on the farm machinery companies for increasing the price of their farm equipment. But that is not quite accurate because farmers, by and large, are buying bigger equipment, more complex equipment, and therefore it follows that the price of this equipment increases. In many cases if it is used properly, and used often enough, it will pay for itself in spite of the increased cost; but nevertheless I think it is another important field that could be investigated, and we could have some action with respect to this matter of farm machinery costs.

During the last session of the legislature, the Alberta government passed a bill that in fact allows the province to underwrite the cost of certain pieces of equipment bought by a farm machinery co-operative. In my view this is another example of the provincial governments being forced to move into an area of legislation because the federal government has failed to meet its responsibilities.

There are many pieces of farm equipment which are used on a farm for but a few days each year, and it would certainly be an economic advantage for several farmers to own one of these pieces of equipment and use it for a few days in rotation. I could name a number of these pieces of equipment, but I am not going to do so because I may leave some out. In other words, I would not be able to cover the whole list.

If we accept the premise that the federal government should be primarily responsible for farm credit, then the federal government should also be prepared to accept the responsibility for providing some farm credit to small co-ops of farmers who want to buy some of this expensive machinery that could be used by more than one farm unit.

I do not want to detain the house much longer tonight because I think there are many

things in this legislation that are improvements. However, at the same time I would not like either the Minister of Agriculture or the government to think that they have solved all of the problems of farm credit in the country, simply by raising the limits and making these very few minor amendments which are proposed in Bill C-100, the bill before us tonight.

Mr. Speaker, there is also a need of land levelling with respect to large irrigation systems which have been developed over the past number of years in western Canada. One of the most desperate needs, that has not been met to date, has been for some kind of credit to be available over a long period of time so that this land can be levelled to the point where farmers can spread irrigation water economically. Once this land levelling is done, and is done properly, it enhances the value of a farm almost into perpetuity, and it never has to be done again.

It is true that at the present time there is provision under the Farm Credit Corporation to borrow money for this specific purpose, but I think we need to recognize that almost 100 per cent of the money needed for this specific purpose should be supplied through the form of credit. I say this because it enhances the value of the farmland. It immediately increases the productivity of a farm, and there is no depreciation on it at all.

As a matter of fact, Mr. Speaker, right at the present time I am having a little difficulty with the income tax department concerning some farmers who have in fact done this work, because the income tax department takes the position that there is no depreciation on farm land, that is, on this levelling; and I agree. At the same time the farmers have in fact paid out some money to do these improvements, but the income tax department will not allow them to charge it up as an operating expense because it is a capital improvement. Therefore the income tax department, or the Department of National Revenue, will have to take another look at it, and have it one way or the other. It is simply unfair for them to suggest there is no depreciation and therefore farmers cannot claim a deduction from capital cost while on the other hand suggesting it is not an operating expense.

As far as this party is concerned we are going to make one or two suggestions as we go through the clause by clause study of the bill. We think that the bill contains some improvements in the present act, but at the same time we believe that smaller borrowers should have been given consideration along the lines I suggested with respect to a different kind of appraising, and particularly by making provision in some way for those years when the farmer's income is insufficient to make the payments demanded of him for the year in question.

[*Translation*]

Mr. C. A. Gauthier (Roberval): Mr. Speaker, it is with great pleasure that I rise to speak on Bill No. C-100 amending the Farm Credit Act. I must congratulate the Minister of Agriculture for having introduced in the house this bill which involves some rather interesting amendments. We can congratulate him now to make up for the times we criticize him, because tonight he deserves it. I do not know whether it is due to the fact that his attendance in the house has been more regular that he felt more deeply the needs of the farmers, but we notice that he is getting to know his department better and that he has a fuller understanding of the subject. I want to congratulate him personally for that.

The proposed amendments will not solve all the problems besetting our farmers. But when we take action like that, we encourage our farmers to become more interested in the land.

I was listening a while ago to the minister when he said that the Farm Credit Corporation will have granted 9,875 loans in 1964. We can say that this is a progressive step when, two years ago, we find that 5,885 farm loans had been granted by the Farm Credit Corporation in 1962 and 7,438 in 1963. This year, we have 9,875 loans.

Our pace is rather normal. I believe that, with the amendments introduced this year by the minister, the year 1965 will register a new expansion of farming, in general.

Then, I see in clause 1:

> The definition of "farming" is to be broadened to include bee-keeping.

That provision pleases me above anything else because, for the past three or four years, many farmers in my riding have been trying to get by as well as they could on their farms. I realize that they will welcome that amendment which will allow them to operate on a more economic basis that sector of agriculture which was forgotten by all previous governments. I understand this field of agriculture is sufficiently important to interest many bee-keepers, Mr. Minister, and I am glad you thought of them.

The same thing can be said of the word "farming" in the explanatory notes. In that amendment, it seems that more emphasis is given to the real meaning of farming. I notice also in the second paragraph that the word "farmer":

> —means a person whose principal occupation is farming. This amendment would enable the corporation to deem the executor or the administrator—

How often have I seen, Mr. Minister, farms where the father had died and all the children had to leave the family home, because only the head of the family was recognized as a farmer. Now, under this amendment, the executor of the estate can administer the estate of the deceased farmer, that is to say he is considered as the farmer just like the deceased himself, no matter if the executor of the estate is the son of the deceased or a relative of the deceased. In other words, this amendment will protect and preserve many of our farms which today, after 10, 15 and 20 years, have yet to find somebody to resume farming.

Clause 2 would increase the capital of the corporation. Here again, this will permit the corporation to take another step forward. It will perhaps permit 2,000 or 3,000 more farmers to resume work on their farms, operate new farms or save old farms. In the province of Quebec, as I said earlier in the house, the question is not to take over new land at the present time, but the biggest effort is rather to get back into production abandoned land which represents a proportion of 30 or 35 per cent of all farm land.

Mr. Speaker, I was told by officials of the Farm Credit Corporation in Roberval that at the rate things are going at present, we will have granted this year from 125 to 130 loans in the Roberval constituency alone. I hope that, following the proposed amendments, we will be able to grant 200 or 250 loans next year, for even 500 loans would not be too great a number in my constituency.

Provision of clause 3 will enable a farmer to borrow from the Farm Credit Corporation to advance money to a member of his family desirous to acquire farm land. This is of great interest to farmers' sons and there are many of them in my constituency.

In fact, my constituency includes large families of farmers and the majority of the sons in those families have tried to work in industry, but since they do not have the required training, they have to come back home after five, six and even eight years of work in an industry and they try to buy land.

I have discussed this problem with the agronomist of the Roberval constituency who told me that the applications of some 40 sons of farmers who wished to buy these lands where they would have amply provided for their needs had been refused. In fact, I know these farmers; they are hard workers and the new provisions of Farm Credit Act will allow this group, which could not do so last year, to take advantage of the Farm Credit Corporation.

I am sure that, as a result of that amendment, it will be easier to help young sons of farmers who wish to return to farming.

As for the rate of interest, I hope that it will be reduced and, above all, that it will not be over 5 per cent.

The minister said a while ago that loans of $40,000 to $50,000 would be more costly. I do not think so, Mr. Speaker. I do not understand why someone who can borrow from $15,000 to $20,000, at a rate of interest of 5 per cent would have to pay more to borrow $40,000 to $50,000. No, I cannot understand that.

And if the rate of interest is set at 6 or 7 per cent in order to improve the standard of living of someone, it will certainly not be the standard of living of farmers. It will be that of the lender, of the chartered bank, or of any other lending company. If we really care to propose amendments in the interest of the farmer, let the interest rate remain at 5 per cent, while increasing the amount of loans to $40,000 and $50,000.

Mr. Speaker, I would have wished for a little more time to deal with other subjects, but a friend of mine asked me three or four minutes to make known his own point of view. I shall therefore give him the floor, but before doing so, I would like to deal with the operation of the Farm Credit Corporation. That is mainly at fault in my electoral district. But those who are dissatisfied are those who have not been able to avail themselves of such loans, because the personnel in charge of administering the act was not competent.

I already said to the house that the personnel was not competent, whether because its members were too few or because some lacked the required knowledge. There is a proverb that says: One cannot give what one does not have. If a young counsellor does not know anything, what can he do? How can he assess a land? I have found that out by myself in my own riding, and that is the reason why I asked the minister to keep his eyes open and send an investigator into the field. I am sure that this investigation will prove the truth of my allegations.

Last year I asked for an increase in the number of advisers in the province of Quebec. I am sorry the last report does not give these details, as did the report for 1962, because no comparison can be made with other provinces.

We wholeheartedly hope for an increase in that personnel and for the updating of their knowledge.

Mr. Auguste Choquette (Lotbinière): Mr. Speaker, I shall say but a few words. I do not want to miss this opportunity of discussing the bill before us.

After the speeches made by the hon. member for Nicolet-Yamaska (Mr. Vincent) and

the hon. member for Roberval (Mr. Gauthier), I wish to point out that we should congratulate warmly the minister on the presentation of this bill. This clearly indicates—

Mr. Deputy Speaker: Order. Does the hon. member want to direct a question or to take a substantial part in the debate?

Mr. Choquette: No. I wanted to take part in the debate, not in a substantial way perhaps, but in an ordinary way.

Mr. Deputy Speaker: Order. In the circumstances, I must recognize the hon. member for Carleton (Mr. Francis).

Mr. Choquette: Excuse me, Mr. Speaker. I had not seen the hon. member for Carleton. I know he is more competent than I am to speak about agriculture.

[*Text*]

Mr. Lloyd Francis (Carleton): I think that the tributes which have been paid the minister in regard to this bill tonight have been quite unusual and well deserved. I was a little overwhelmed by the reference made to him by the hon. member for Kootenay West (Mr. Herridge) who said he thought the minister's thinking was 40 years ahead of the thinking of his party. Certainly, in my opinion there is no question but that the philosophy of the bill is just plain, common sense and I would not embellish it with any label like socialism or anything else. It is a philosophy which will enable farmers to do a job which is today increasingly difficult for them to perform in an age in which capital is more and more important.

There is no question but that this act, which is under the administration of the Department of Agriculture, is the proper machinery for the extension of farm credit. I am very happy with the amendments which are coming forward and which will mean, in effect, that instead of the industrial development bank getting increasingly into this area, as it has been as a result of vertical integration, the administration will be in the hands of the department whose orientation is more in the direction of service than it is in the direction of straight financial administration. I believe the hon. member for Kootenay West made this point and made it very well in the course of his speech.

The transfer of the administration of the Farm Credit Corporation from the Department of Finance to the Department of Agriculture does represent a fundamental change in the philosophy of that act, and the amendments which are coming forward are in keeping with that spirit.

I presume it is ten o'clock, Mr. Speaker.

BUSINESS OF THE HOUSE

Mr. Churchill: I would like to ask the acting house leader if we will continue with this bill tomorrow or do we shift to something else?

Mr. MacNaught: Tomorrow, we will take up the government notice of motion which appears on *Votes and Proceedings* as the last item on page 2, that it is expedient that the houses of parliament do approve the ratification of a treaty between Canada and the United States of America relating to cooperative development of the water resources of the Columbia river. When that is concluded, we will go on with second reading of an act to amend the National Housing Act. The next item will be the continuation of this debate.

Mr. Churchill: And what about Friday?

Mr. MacNaught: On Friday we shall not be considering estimates. We shall be going on with legislation, very likely the amendments to the National Housing Act.

PROCEEDINGS OF ADJOURNMENT MOTION

(Subject matter of questions debated under adjournment motion).

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

TRANSPORT—PRAIRIE PROVINCES—CLOSING OF RAILWAY STATIONS AND REMOVAL OF AGENTS

Mr. Jack McIntosh (Swift Current-Maple Creek): The question I wish to debate tonight is a simple one. Although Mr. Speaker ruled the other afternoon, it should be put on the order paper, he did not state why it should be put on the order paper rather than answered in the house. I suggest it is an urgent question and it is one which is directly related to rail line abandonment.

At the present time there is on the prairies, as hon. members know, an agreement between the railway companies and the government that no action will be taken to proceed with rail line abandonment until a complete survey of the situation has been made. I understand that such a survey is under way at the present time. My question to the government was this: Will the government consider freezing the action of the railway companies at the present time in making application to the board of transport commissioners to close certain branch line stations and do away with station agents? Steps of this sort are very similar to abandoning the line itself. As there

is no minister to speak for the Department of Transport in the house tonight and since the Prime Minister (Mr. Pearson) is not here—

An hon. Member: The parliamentary secretary is here.

Mr. McIntosh: —I would ask the parliamentary secretary, then, to request the minister to give this matter his serious consideration. As I have just said, this action by the railway companies is tantamount to rail line abandonment. I have had experience of these applications by the railways and it is my personal opinion that the companies know what conditions should exist before the board of transport commissioners will entertain applications for abandonment. In my opinion the railway companies do everything within their power to see that these conditions exist before they make applications. In one case I have in mind they even took the telephone out of a station so that the people in the area could not telephone to the station agent to find out when a train was due to arrive. I might say that on branch lines trains seldom run to schedule. People would not know when perishable goods were coming in. Moreover, there are no modern facilities in many of these stations. They are of old vintage. Some of the old prairie towns have been modernizing themselves in latter years, but the railway companies do nothing at all to introduce people to patronize their mode of transportation. In other words, it would appear to me, as one who comes from the prairies, that the railway companies are only concerned with making money out of handling grain; they are not concerned with the service they can give the people on the prairies.

I would ask the parliamentary secretary if as soon as possible he would request the board of transport commissioners or the minister to give early consideration to preventing the consideration of these applications until the survey has been completed. I do not wish to say more at the present time. I hope the hon. gentleman has got my point. It is one which is directly related to rail line abandonment and it amounts to practically the same thing, particularly in areas where permission is given by the board of transport commissioners.

Mr. Jean-Charles Cantin (Parliamentary Secretary to Minister of Transport): The agreement between the railway companies and the government did not embrace the removal of stations or agents, but all representations by hon. members, and by the hon. member for Swift Current-Maple Creek in particular, will be given due consideration and we shall be glad to follow up his remarks.

Motion agreed to and the house adjourned at 10.07 p.m.

HOUSE OF COMMONS

Wednesday, June 3, 1964

The house met at 2.30 p.m.

COMMITTEES OF THE HOUSE

MISCELLANEOUS PRIVATE BILLS—THIRD REPORT

[*Translation*]

Mr. Gérard Loiselle (St. Ann) presented, in English and in French, the third report of the standing committee on miscellaneous private bills.

[*Text*]

PUBLIC ACCOUNTS—CONCURRENCE IN SECOND REPORT OF STANDING COMMITTEE

Mr. G. W. Baldwin (Peace River): Mr. Speaker, in the anxiety of the house to learn the present standing of priorities I missed an opportunity to catch Your Honour's eye on presenting motions. Perhaps I may have leave to revert to motions.

Mr. Speaker: Agreed?

Some hon. Members: Agreed.

Mr. Baldwin presented the second report of the standing committee on public accounts, and moved that the report be concurred in.

Motion agreed to.

BUSINESS OF THE HOUSE

STATEMENT ON PRIORITY OF LEGISLATION

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, as requested I should like to make a statement to the house on the business before the house.

The government hopes to complete as soon as possible some important measures which are now in hand and which are before the house. These are the bill on farm credit, the national housing legislation and the approval of the Columbia river treaty. We will proceed as soon as we can, Mr. Speaker, with the constitutional amendment to section 94A of the British North America Act making it possible for the pension plan to include supplementary benefits. All the provincial governments have agreed to this amendment in principle, but we have to await the full agreement on the exact wording of the amendment by all provinces, and I think there are three which have not yet replied to our request for agreement on the formula. I am hopeful, however, that we will be able to move on this matter next week. The constitutional amendment may therefore come ahead of the resolution relating to a Canadian flag. Certainly we will not let anything delay that amendment, because we want to make sure it is dealt with at Westminster before the parliament there dissolves.

Subject to this consideration we intend toward the end of next week to proceed with the resolution relating to a Canadian flag, and we shall follow that with the resolution on a national anthem. If progress on all the matters I have mentioned is not very fast it may be necessary to interrupt the debate in order to ask for interim supply and, of course, we hope to make progress with the consideration of the estimates. When the constitutional amendment has been made we wish to proceed with the early stages of the pension legislation so there will be ample time for this complex matter to be studied by a parliamentary committee and by the public generally.

Next in order of urgency we place legislation for extending family allowances and to deal with certain aspects of federal-provincial fiscal arrangements. It would not be possible now to give an exact order for other items, but I will mention the following to which we attach priority importance and others which have already been mentioned to the house: legislation to provide loans to students; the completion of two measures which are now before committees in the house, namely the amendments to the National Defence Act and the legislation on a 12 mile fishing zone; a measure to assist Canadian magazines; the legislation on electoral redistribution; the establishment of a treasury board with a separate minister, and the creation of a department of forestry and rural development.

I do not need to go any further in order to indicate that there is plenty of work ahead of us. Indeed, so that members need not give

up all hope of some kind of break this summer, the government intends shortly to propose to the house a measure for the lengthening of the hours of sitting.

Right Hon. J. G. Diefenbaker (Leader of the Opposition): As far as the constitutional amendment is concerned, the amendment which will be asked for, we in this party said a year ago that such an amendment would be necessary if survivor benefits were to be provided under the pension legislation. I am glad the government intends to proceed now, after having made several indefinite motions in the direction of pension legislation; it brought these things forward and then withdrew them.

With reference to the flag situation, apparently the meeting of the Liberal council has slowed up the Prime Minister a little and he has decided that the day of politicking and polemics is over. As a matter of fact, if I might make reference to a statement he made last evening, it is very obvious that he had in mind the calling of an election. He wanted to blame the opposition for obstruction; then he proceeded to say that 40 different matters had been passed and he proudly exhibited them as evidence of the activity of the government.

Let me say this. That excuse of obstructionism on the part of the opposition is simply a smokescreen designed by the Prime Minister as an excuse for the election he is trying to force on the people. The very fact that 40 pieces of legislation were passed is indicative of the degree to which parliament has applied itself. When the government proceeds to place before parliament legislation which is beneficial to the people, then, as always, we will give it support; and the measures to which reference has been made, the measures which are to come up, deserve consideration and priority. But I say this to the Prime Minister: do not let him think he is bluffing anyone when he endeavours to place a charge of obstructionism against the government—

Some hon. Members: Oh, oh.

Mr. Diefenbaker: —against the opposition. The responsibility rests on the government, whose chameleon-like changes, legislation brought in one day and postponed or withdrawn the next day, have brought about uncertainty. If, following the meeting of the Liberal council, the government now knows where it is going and will bring worthy, acceptable and necessary legislation before the house, we will give it every support to bring it into effect—

Some hon. Members: Hear, hear.

Mr. Diefenbaker: —as has always been our course. Now that we have a change of front on the flag, a withdrawal, a retreat, and we find on the other hand an end of indecision and inaction, of fumbling and uncertainty in the presentation of legislation, I hope that parliament will be more effective. All the government has to do is to give leadership rather than indulging in politicking and polemics.

An hon. Member: The chickens home to roost.

Mr. T. C. Douglas (Burnaby-Coquitlam): Mr. Speaker, after this excellent example of abstaining from politicking and polemics may I say just a word. I do not think the public interest is served at this time by any party in any part of the house talking about the imminence of an election. I think the people of Canada expect members of parliament to get down to work and do some of the things they were elected to do.

The first few items which the Prime Minister has outlined as requiring immediate consideration, the Farm Credit Act legislation, the National Housing Act legislation, the Columbia river treaty and, if it is ready, the constitutional amendment to permit survivor benefits to be paid under the Canada pension plan, should, of course, be dealt with at once. But I do want to point out to the Prime Minister that other items—the Canada pension plan itself, student loans, the legislation to give some measure of protection to Canadian magazines, the redistribution legislation and the extension of family allowances—are all very essential pieces of legislation.

I must say on behalf of the party for which I am speaking that we consider these pieces of legislation much more important than a debate on the flag. We feel that the question of the flag could quite easily have been left until next fall. It could have been left until these very pressing legislative matters had been dealt with. The people of this country are concerned about bread and butter issues. They are concerned about pensions, family allowances and loans to students, and we feel that parliament would be better occupied dealing with these legislative matters first.

The Prime Minister and the house know that I and most of my colleagues are quite prepared to support legislation for a distinctive national flag for Canada, but we do not

think this is a matter of such paramount importance that it should delay the discussion and implementation of some of the important legislation I have just enumerated.

I do hope the Prime Minister will give some thought to the advisability of giving higher priority to the legislation which he said would be discussed after we had disposed of the flag resolution or that, from time to time, the debate on the flag resolution may be interrupted in order to consider such things as student loans, the Canada pension plan, family allowances and so on. I point out to the Prime Minister that there are hundreds of students across Canada who ought now to be making their arrangements for returning to university next fall. Unless these student loans are made available fairly soon they will be of no value whatever for the academic year 1964-65.

It seems to us, therefore, that we would be doing our duty as a parliament if we were to forgo a discussion of the flag resolution at this particular stage and deal with such matters as student loans, the Canada pension plan, family allowances and these other items I have enumerated, and leave the matter of the flag resolution to a later date, probably next October or November.

Mr. R. N. Thompson (Red Deer): The Prime Minister has outlined some of his opinions regarding priority. I think that to put first things first, we in this house have a very special, collective responsibility. We are very much aware that we are a minority house. I am convinced that a minority parliament can work, and work effectively. In fact it can work even more effectively than a majority parliament can work or has worked during recent parliaments, if only members who make up this house would put their priorities in the right place.

I am sure this need rests not only in the hands of the opposition but in the hands of the government as well. I suggest to the right hon. Prime Minister that he look very carefully to his responsibilities in the government so far as priorities are concerned, and that we in the opposition should do likewise, in so far as getting work done is concerned and not just naming work that has to be done. In a very special way the eyes of Canadians right across this country are on us as they have never been before. It is expected that as representatives of the Canadian people we produce some results. I believe it is this which should have first priority.

A minority parliament can work and it will work if we make up our minds that is what we are going to do. There are several suggestions I should like to make to the right hon. Prime Minister. One is that I feel it is the responsibility of the government in bringing legislation before the house to leave it there, not to put it out and then pull it back but to leave it before us until completed. A great deal of our time is wasted going back over the same ground that has been covered before, simply because there has been a time interval between debates on the subject.

Then I would hope the special committee on procedure could bring in a report and lay before us their recommendations for speeding up the work of the house. These recommendations should be adopted on an interim basis. One of the things which is most important is that we should come to an agreement on the length of debate in reference to any particular piece of legislation that is placed before us. So I would urge the committee to bring in their final report as quickly as possible and let us give it a temporary trial.

Again I come back to this particular point, that it is not good enough to be naming pieces of legislation which we must deal with before we have a recess. A recess is a very necessary and essential thing, not only for the government but for each individual member of the house in connection with his constituency responsibilities. The first priority should first of all be to make up our minds that we are not just going to talk about the work that has to be done, but that we intend to make every effort to do it.

[*Translation*]

Mr. Réal Caouette (Villeneuve): Mr. Speaker, all the points raised by the right hon. Prime Minister (Mr. Pearson) this afternoon as business before the house were mentioned in the speech from the throne which was read to us in the middle of last February: farm credit, amendment to the Central Housing and Mortgage Corporation, Columbia treaty, amendment to section 94; the only measure which might not have been included at that time deals with the national flag and the national anthem. But if my memory serves me right, I think it was. The following were also included: national estimates, family allowances to young people 17 and 18 years old attending school, loans to students. All those measures were proposed to us exactly three months ago.

Business of the House

In spite of what was announced in the speech from the throne, the government has not seen fit until now to introduce such legislation, and today the Prime Minister comes up with some 20 items. Well, even if we were to spend only three or four days on each, we would still be sitting in six months. Why? Because the government waits too long before bringing forward its measures.

Yesterday, for instance, the Prime Minister stated that if the opposition persisted in practising obstruction as it was doing he would have to go to the people and hold the opposition responsible for a new election.

As for us, Mr. Speaker, this threat of a new election does not scare us one bit.

A moment ago I heard the Leader of the Opposition (Mr. Diefenbaker) say that he was guilty of no filibuster. We heard the same thing last year when he was prime minister and the present Prime Minister was leader of the opposition. At that time the then prime minister accused the opposition of doing some obstruction by opposing the legislation laid before the house.

Mr. Speaker, let the government face up to its responsibilities concerning the introduction of legislation. We are here to examine it and vote on it.

Now, we have just been told that some items might be more interesting than the question of the national flag. Obviously the Prime Minister must withdraw or, at least, seem to withdraw his resolution calling for the adoption of two flags and two national anthems for Canada, because that proposal does not appear to be acceptable to the vast majority of Canadians.

Wherever objections may come from we are favouring one and not two flags. If the resolution had been a simple one the Prime Minister could have had it passed a week ago. Instead, we are faced with procrastination, delaying tactics, we witness some fancy fence sitting and are getting nowhere.

Mr. Speaker, I contend that the government must introduce its legislation so that we may consider it, instead of finding excuses and saying that the opposition is holding up the business of the house.

We are ready and anxious to examine and pass any legislation submitted by the government.

[Mr. Caouette.]

[*Text*]

CANADIAN FLAG

TABLING OF TELEGRAM RESPECTING PROCEDURE AFTER RESOLUTION ADOPTED

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, I would like to table a telegram that I sent to the premier of the province of Newfoundland in reply to a request by him for an explanation of the procedure which would be followed if the resolution regarding the national flag were adopted.

Right Hon. J. G. Diefenbaker (Leader of the Opposition): Mr. Speaker, would the Prime Minister say whether he would table the communication he had from Premier Smallwood?

Mr. Pearson: Mr. Speaker, there is no other correspondence. The request for this information was made by telephone, and this is the only correspondence dealing with the matter.

THE MINISTRY

TRIP TO ENGLAND BY TRANSPORT MINISTER

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, while I am on my feet, and as a matter of privilege, may I clarify a question which was raised in the house yesterday about whether the Minister of Transport went to England at government expense or at his own expense. The hon. member for Bow River asked that question, and the hon. member for Ontario asked whether the trip was made on a commercial flight or on a government plane. My reply is to be found at page 3833 of *Hansard*:

> —I have just been informed that the Minister of Transport went to England by T.C.A. commercial flight, accompanied by his wife and daughter. He will be returning alone today. He bougnt his own tickets and the visit had been arranged some time ago, long before the question of the Queen's audience arose.

The Minister of Transport, who arrived back in Ottawa last evening and is in his seat today, has informed me this morning that he bought tickets for his wife and daughter. However, like all his predecessors he is provided with transportation on T.C.A., and used the transportation so provided. Because his visit was a personal one, he has assured me that he has submitted no account to the treasury for any expenses incurred.

An hon. Member: As yet.

POWER

COLUMBIA RIVER—APPROVAL OF RATIFICATION OF TREATY

On the order: Government notices of motion:

June 1—The Secretary of State for External Affairs—The following proposed motion:—That it is expedient that the Houses of Parliament do approve the ratification of the treaty between Canada and the United States of America relating to co-operative development of the water resources of the Columbia river basin, signed at Washington on January 17, 1961, and the consequent coming into force of the protocol thereto annexed to the exchange of notes signed at Washington on January 22, 1964, and that this house do approve the same.

Mr. Speaker: Pursuant to section 2 of standing order 21 this government notice of motion is transferred to and ordered for consideration under government orders later this day.

QUESTIONS

(Questions answered orally are indicated by an asterisk.)

HOUSE COMMITTEE ON CENTENNIAL SYMBOL

Question No. 767—**Mr. Prittie:**

Concerning the competition announced by the Secretary of State for a centennial symbol for 1967, does the government plan to establish a house committee on artistic design to make the final selection?

Mr. Lamontagne: It is not the intention to establish a house committee on artistic design to make the final selection for a centennial symbol for 1967.

*ADVISORY COMMITTEE ON FIREARMS

Question No. 933—**Mr. Fisher:**

1. Is there any committee of, or named by the Department of Justice, designed to advise on the law and regulations regarding the use of firearms and, if so, when was it constituted and who are the members?

2. Is the chief constables association of Canada represented on the committee?

Mr. Favreau: Because of the wide interest that attaches to this matter I think I should explain the situation in a little detail rather than attempt a "yes" or "no" answer. I should perhaps remind hon. members that I spoke to this matter very briefly in the house on March 9 last in reply to a question from the hon. member for Esquimalt-Saanich.

The firearms sections of the Criminal Code have for a long time been the subject of great interest and representations on the part of those who, on the one hand, think they are not strict enough and those who, on the other hand, think they are too strict.

Early in 1960 an informal committee was set up to study such provisions comprising representatives of the legal branch of the Department of Justice, the Department of National Revenue, the R.C.M. Police and the Canadian association of chiefs of police. This committee has given the matter considerable study as has also the criminal law section of the conference of commissioners on uniformity of legislation in Canada, but no decisions have been reached by the department as to what amendments should be put forward because, mainly, of the conflicting views and representations above referred to. That informal committee has been inactive since last fall and there are no plans for reconvening it. In the meantime my department continues to study these provisions in connection with the continuing Criminal Code amendment program.

I wish therefore to assure all persons who are interested in the subject matter that it is completely open for consideration of any views that anyone desires to place before the department. I hope that, besides answering the question, this reply will serve to quiet the fears that appear to have been aroused that the department intends to recommend far reaching amendments which will have an unduly restrictive effect upon the legitimate activities of sportsmen and antique collectors.

HIGHWAY PAVING, GUYSBOROUGH COUNTY, N.S.

Question No. 978—**Mr. Armstrong:**

1. Where are the 46 miles of highway in Guysborough county, Nova Scotia, which are still to be paved under the roads to resources program?

2. Which stretches of this highway are to be paved in 1964-65?

3. If any contracts have been made, with whom have they been made?

Mr. Laing: 1. Approximately two thirds of the 67 mile Goldborough loop has, at the request of the province, been approved for paving; of this, work is already largely or entirely complete on the section from Goshen to a point just east of Seal Harbour, leaving a balance of approximately five miles under the present arrangements.

2 and 3. The planning and scheduling of construction is the responsibility of the province, subject to the approval of contract awards by the federal government. In July, 1963, a contract to Warren Maritimes Limited was approved for paving from Drumhead to the Torbay road, a distance of approximately

15 miles. It is expected that the balance of this contract, covering the five mile section from Seal Harbour to the Torbay road junction will be completed in 1964-65.

WINTER CONSTRUCTION BONUS APPLICATIONS, MANITOBA

Question No. 1,050—**Mr. Stefanson:**

1. How many applications were received for the $500 bonus under the winter home construction program for homes built in the province of Manitoba?
2. How many qualified for the bonus?
3. How many qualified in (a) metropolitan Winnipeg (b) Brandon (c) Flin Flon (d) Portage la Prairie (e) Selkirk (f) Dauphin (g) Gimli, and (h) Stonewall?

Mr. MacEachen: 1. Under the winter house building incentive program, 1,468 applications for certification were received in respect to structures built in the province of Manitoba.

2. Out of this number of applications 1,255 qualified for the incentive payment.

3. The numbers of qualified applicants in the specified municipalities are as follows: (a) metropolitan Winnipeg, 934; (b) Brandon, 69; (c) Flin Flon, 4; (d) Portage la Prairie, 14; (e) Selkirk, 36; (f) Dauphin, 3; (g) Gimli, 1; (h) Stonewall, nil.

SHAUGHNESSY HOSPITAL, VANCOUVER

Question No. 1,053—**Mr. Douglas:**

With reference to the Shaughnessy hospital in Vancouver, British Columbia, operated by the Department of Veterans Affairs (a) how many beds does it contain (b) how many pensioners' cases were re-examined in 1963 by the board of directors (c) how many veteran bed-patients were treated in 1963 (d) how many veteran out-patients were treated in 1963 (e) how many R.C.M.P. and armed services out patients were treated in 1963 (f) how many sick mariners were hospitalized in 1963 (g) how many R.C.M.P. and armed services personnel were hospitalized in 1963 (h) how many prisoners from penitentiaries were hospitalized in 1963 (i) by what amount, if any, did the B.C. hospital insurance plan contribute to the revenues of this hospital during 1963?

Mr. Teillet:

	Rated capacity	Beds set up
(a) Active treatment	572	578
Chronic care	378	374
Domiciliary care (George Derby wing)	215	211
Total	1,165	1,163

(b) There were 2,911 medical re-examinations of pensioners carried out by pension medical examiners during 1963.

Note—The figures shown in parts (c), (d), (e), (f), (g) and (h) refer to episodes of treatment. Statistics are not kept in a form that would show the number of different patients treated.

(c) 6,590.

(d) 90,858.

(e) R.C.M.P.	4,400
Armed services	1,647
Total	6,047

(f) 371.

(g) R.C.M.P.	109
Armed services	260
Total	369

(h) 34.

(i) $2,261,052.

DEFENCE RESEARCH BOARD—REMOVAL OF HOUSEHOLD EFFECTS

Question No. 1,064—**Mr. Southam:**

1. Were tenders called by the chairman of the defence research board for the removal of the household effects of Mr. R. D. Hanson, Mr. A. J. Craig and Mr. I. R. Gordon, all of Prince Albert, Saskatchewan, in 1963 and, if so, what were the estimated weights and the costs submitted by each and all of the tenderers?
2. To whom was the tender given, and what was the actual weight and price for removal of the said effects?

Mr. Cardin: 1 and 2. No, tenders were not called by the chairman, defence research board. The contract was made in each case by the employee with the moving company in accordance with the procedures established by the removal expense regulations. Details of estimated weights and costs and actual weights and costs are as follows:

Name	Weight (lbs.)	Cost $
R. D. Hansen		
(a) Estimates		
Northern Cartage Co.	9,000	1,508.50
North American Van Lines	8,000	1,313.75
(b) Actual		
North American Van Lines	12,430	2,081.90

Name	Weight (lbs.)	Cost $
A. J. Craig		
(a) Estimates		
Northern Cartage Co.	7,500	1,305.50
North American Van Lines	8,000	1,263.25
(b) Actual		
North American Van Lines	7,570	1,300.40
I. R. Gordon		
(a) Estimates		
City Cartage Co.	6,000	1,039.75
North American Van Lines	4,400	717.60
(b) Actual		
North American Van Lines	4,770	824.20

SOCIAL INSURANCE APPLICATIONS BY CIVIL SERVANTS

Question No. 1,070—**Mr. Horner (Jasper-Edson):**

1. Are employees of the dominion government compelled to fill out an application for a social insurance number and, if so (a) what happens if an employee refuses to do so (b) will such an employee lose any superannuation benefits (c) will he be deprived of any old age security benefits should be become eligible?

2. If an employee is not now paying unemployment insurance, and completes an application form, would he then be eligible for unemployment insurance?

Mr. Lamontagne: 1. (a) All employees covered by the Unemployment Insurance Act, including those of the dominion government, are required to complete an application for social insurance number. Section 107 of the Unemployment Insurance Act provides that every person who contravenes or fails to comply with any of the provisions of that act or the regulations made by the commission with the approval of the governor in council is guilty of an offence. Section 80 of the unemployment insurance regulations, approved by the governor in council, requires an employee to register. Registration by employees not covered by the Unemployment Insurance Act is entirely voluntary. (b) No. (c) The Old Age Security Act provides for a flat rate benefit to be paid to everyone in Canada who can meet the age and residence requirements. There is no provision in any legislation whereby a person can be deprived of old age security benefits if he has met the eligibility requirements.

2. No. In order to become eligible for unemployment insurance benefit, a person must have been in insured employment and have had the requisite contributions made on his behalf in addition to fulfilling the other conditions of entitlement.

TEA ROOM CONCESSION, GREEN GABLES, P.E.I.

Question No. 1,079—**Mr. Macquarrie:**

1. Were tenders called for operation of the tea room at Green Gables house in the Prince Edward Island national park and, if so, how many tenders were received?

2. Were said tenders advertised in the daily newspapers of Prince Edward Island?

3. Was Mrs. Donald Lamont, former concessionnaire, offered a renewal of contract or invited to tender on a new one?

4. Who will operate the concession in the summer of 1964?

Mr. Laing: 1. Yes, in March, 1959 (six tenders); cancelled and called again in May, 1959 (seven tenders).

2. Yes.

3. Not for the 1964 season.

4. Miss Vivian Woodside, the low tenderer on both occasions in 1959, and Mr. Wilfrid Pickering.

*RELEASE OF SHORT TERM COMMISSIONED OFFICERS

Question No. 1,087—**Mr. MacEwan:**

1. How many short term commissioned officers are to be released from the (a) army (b) air force, and (c) navy, as a result of the integration of the armed forces, and what are the various categories in which these personnel are listed?

2. What is the estimated cost of training of the above officers for each of the three services?

3. What is the estimated cost of training an officer for air crew for the R.C.A.F.; an officer for the army; and an officer for the Royal Canadian Navy?

Mr. Cardin: 1. It is not possible at this time to determine the number of short term commissioned officers in the armed forces who are likely to be released as a result of integration.

2. Is answered by answer to No. 1.

3. To train an officer to wings standard in the R.C.A.F. costs approximately $85,000. Dependent upon the method of entry and the tasks to which officers are assigned, the cost of training an officer in the three services varies. However, under the Canadian services colleges plan, the estimated cost to graduate an officer cadet from R.M.C. is $36,753.

"MILE OF HISTORY", OTTAWA

Question No. 1,104—**Mr. Nugent:**

1. Has the government abandoned plans to locate a "mile of history" on Sussex drive in the city of Ottawa and, if so, for what reasons?

2. If not, what in detail are the plans, and when will they be brought to fruition?

Answer: 1. The government has not instructed the national capital commission to abandon plans for acquiring properties and improving buildings on Sussex drive.

2. No detailed plans have been worked out. The national capital commission has had to devote its attention to matters of higher priority in the Ottawa and national capital development. A number of the existing buildings are being cleaned, some painting done and other similar improvements made to the exteriors in order to give these government owned buildings an acceptable appearance. Major structural changes to the interiors of the buildings are therefore not being carried out at the present time due, in part to other heavy capital commitments for new buildings and other improvements in the capital.

RECREATION OF RICHMOND LANDING, OTTAWA

Question No. 1,108—**Mr. Nugent:**

1. Have plans for the recreation of Richmond Landing at the foot of Chaudiere falls in the city of Ottawa been abandoned and, if so, for what reasons?
2. If not, what, in detail, are such plans and when may it be anticipated that they will be proceeded with?

Answer: 1. No.

2. Detailed plans have not been worked out but in general, the plans are for the development of a community similar to that which existed about 1830, at the foot of the rapids, and associating this with a park development. All such work is to be related to the proposed new construction in Lebreton flats.

BARNEY'S RIVER, N.S.—MAINTENANCE OF POST OFFICE

Question No. 1,113—**Mr. MacEwan:**

1. Has the Postmaster General received a petition from patrons of the Barney's River, Nova Scotia, post office asking for continued maintenance of the post office at that location?
2. What is the total number of patrons and how many of these patrons signed the petition?
3. When is a decision expected on this matter?

Mr. Nicholson: 1. Yes.

2. For postal purposes, information of this type is gathered in terms of the number of householders. There are 61 householders served by this office. The petition contained 69 signatures. In some instances more than one member of the family signed the petition.

3. As soon as our present inquiries on the matter have been completed.

[Mr. Nugent.]

AVONDALE STATION, N.S.—CONTINUATION OF POSTAL SERVICE

Question No. 1,114—**Mr. MacEwan:**

1. Was a questionnaire circulated to the patrons of the Avondale station post office, Pictou county, Nova Scotia, during 1963?
2. What is the total number of patrons of this office?
3. How many patrons of the post office were in favour of continuing service in and from the post office?
4. How many were in favour of a change?

Mr. Nicholson: 1. Yes.

2. For postal purposes, information of this type is gathered in terms of the number of householders. There are 87 householders served by this office.

3. 48 householders.

4. 30 householders.

Note: Nine householders did not express any opinion.

CANADIAN INTERVENTION IN INDONESIA-MALAYSIA DISPUTE

Question No. 1,118—**Mr. Latulippe:**

1. Has the Canadian diplomatic service intervened, in any way, in the dispute between Indonesia and Malaysia and, if so (a) in what manner (b) in what capacity, and (c) what was the general nature of the intervention?
2. Does Canada have a permanent diplomatic representative in Kuala Lumpur who is specifically concerned with the dispute between Malaysia and Indonesia and, if so (a) who is the representative (b) since what date (c) what are his duties and prerogatives?
3. If Canada has no officer specifically designated for this purpose who, in the office of the Canadian high commissioner in Malaysia is concerned with making known the Canadian government's attitude and opinion on this question?
4. Has the United States made diplomatic representations on the subject of this dispute to the Canadian Department of External Affairs and, if so (a) who made such representations (b) what was their general nature?
5. Has the president of the Philippines made diplomatic representations to the government on this subject and, if so (a) what was their substance (b) what was the Canadian answer?
6. Have representations of any sort been made by Mr. Salvador Lopez, special envoy and mediator of the president of the Philippines in the dispute between Indonesia and Malaysia and, if so (a) what was their nature (b) what was the Canadian answer?
7. Has Indonesia made diplomatic representations concerning this dispute and, if so (a) what was the general nature of those representations (b) what was the Canadian government's answer?

[*Translation*]

Answer: 1. The present dispute between Indonesia and Malaysia is under discussion by the proper Canadian authorities and representatives of several countries, including

those of Indonesia and Malaysia. The general purpose of those discussions was to put forward the Canadian attitude regretting any confrontation policy.

2. No.

3. The Canadian high commissioner himself, at Kuala Lumpur, is concerned with making known the government's attitude and opinion on this question.

4. No.

5. No.

6. No.

7. No.

[*Text*]

CANADIAN POLICY RESPECTING INDONESIA AND MALAYSIA

Question No. 1,125—**Mr. Latulippe:**

1. Has the Department of External Affairs examined newspaper reports to the effect that President Sukarno had stated that Malaysia would be crushed before sunrise on the 20th of May next year and, if so, is Canada at present revising its policy concerning the conflict between Malaysia and Indonesia, and in what respect?

2. Is Canada or any organization of which Canada is a member presently considering the possibility of sending, at a future date, United Nations troops which would be assigned to maintaining peace during the negotiations between Djakarta, Manila and Kuala Lumpur?

3. Did Canada exchange any correspondence whatsoever or diplomatic notes with President Sukarno, the president of the Philippines or any other political leader directly concerned in this conflict respecting the sending of troops?

[*Translation*]

Answer: 1. The Department of External Affairs examined those newspaper reports and other statements made by Indonesian leaders in the last few months to the effect that Malaysia must be crushed or gobbled up. Canada expressed its support to Malaysia when that federation was proclaimed on September 16, 1963, and has reaffirmed it several times since.

2. No.

3. No.

[*Text*]

CANADIAN AMBASSADOR TO VATICAN

Question No. 1,133—**Mr. Latulippe:**

Have representations been made to the Secretary of State for External Affairs, during the past two years, on the subject of naming a Canadian ambassador to the Vatican and, if so (a) when were such representations received (b) from whom were such representations received (c) what was the department's reply in each case?

[*Translation*]

Answer: (a) According to its files, in 1963, the Department of External Affairs received three letters concerning Canadian representation in the Vatican. No letter has been received this year.

(b) Two of the letters received in 1963 came from private individuals and the third one from a religious organization in this country.

(c) In each case, the department's reply was as follows: "The question of accrediting a Canadian representative to the Vatican is reviewed periodically in the general context of Canadian representation abroad. That review covers several aspects: the financial aspect, staff problems and the order of priority to be followed in the opening of new posts. In the case of the Vatican, all those factors are reviewed at regular intervals, although no decision has yet been taken."

[*Text*]

REQUESTS FOR WINTER WORKS EXTENSION, COMPTON-FRONTENAC CONSTITUENCY

Question No. 1,137—**Mr. Latulippe:**

Which municipalities in Compton-Frontenac have asked for the extension of winter works beyond April 30, 1964?

Mr. MacEachen: Copy of a resolution passed by the council of the municipal corporation of the town of Lac Mégantic at a meeting held on February 18, which requested an extension of the period of the municipal winter works incentive program for 1963-64 to May 31, 1964, was received in the Department of Labour on February 26.

ATOMIC ENERGY LTD. EXPORTS TO IRON CURTAIN COUNTRIES

Question No. 1,141—**Mr. Latulippe:**

Is Atomic Energy of Canada Limited presently filling orders for the U.S.S.R. or other countries located behind the iron courtain, and, if so, of what nature is each one of the orders, in what amount and for what country, and what use is to be made of the Canadian made equipment in the importing countries?

Mr. Drury: In so far as Atomic Energy of Canada Limited is concerned:

To World Health Organization, Geneva, for delivery to the ministry of health in Albania, one cobalt 60 source of radioactivity, approximate value $18,000, to be used for medical purposes.

The following orders in the course of being filled may be considered relevant:

To the People's Republic of China, Tientsin, one beam therapy equipment and radioactive source, value approximately $39,000, for treatment of cancer.

To the international atomic energy agency, Vienna, for delivery to institute for application of nuclear energy in agriculture, veterinary, and forestry, Zemun, Yugoslavia, a special gamma beam irradiator and radioactive source, approximate value $10,000. It is understood the end user is an organization supported jointly by the government of Yugoslavia and I.A.E.A.

ROBERT BURNS COMMEMORATIVE STAMP

Question No. 1,149—**Mr. Muir (Cape Breton North and Victoria):**

Does the Post Office Department intend to issue a postal stamp, as has been done in the U.S.S.R., in honour of the great Scottish poet Robert Burns, which would recognize the contribution made to Canada by those Canadians of Scottish origin; help better to promote national unity and mutual understanding; and, serve as a tribute to a minority people who have helped to develop the vast frontiers of this great nation?

Mr. Nicholson: No. Members of the royal family, Canadians and others who have had a direct and specific association with Canada are the only persons whose likeness may appear on Canadian postage stamps.

*RECOMMENDATIONS OF UNIVERSITY TEACHERS RESPECTING SECURITY AND ACADEMIC FREEDOM

Question No. 1,152—**Mr. Orlikow:**

Has the government given consideration to implementation of the recommendations made by the Canadian association of university teachers in respect to security and academic freedom contained in a memorandum to the Minister of Justice on July 31, 1963 and, if so (a) does the government intend to launch, as soon as possible, an investigation by an independent and qualified commission into the present jurisdiction, procedures, records, qualifications, and training, of the S and I section of the R.C.M.P. (b) has the government given consideration to what steps should be taken immediately to guarantee that a person denied security clearance shall be advised promptly of his disqualification, and (c) does the government intend to establish a tribunal, perhaps like that in Great Britain, to which appeals may be taken by persons who feel that they have been wrongfully accused, where they may confront their accusers or the material on which an accusation has been based, and before which they may be heard in their own defence?

Mr. Pearson: The government has given very careful consideration to the recommendations of the Canadian association of university teachers. I personally met with the vice president and the executive secretary of the association on July 31, 1963 and again on November 15, 1963. The then minister of justice was present on the first occasion, but was unable to attend the second meeting. There was a very full discussion of the views and recommendations of the association concerning Canadian security policies and procedures, including those set out in a memorandum to the minister of justice dated July 31, 1963. In many respects the statements of policy of October 25, 1963 reflect the benefits derived from the first of those discussions.

With regard to the specific questions: (a) No. (b) and (c) The government's policy with regard to informing government employees in cases of denial of security clearance, and to ensuring an opportunity to such employees of presenting all considerations that they consider to be relevant, as well as the action taken to ensure a careful review of cases before final action is taken, was clearly stated in the House of Commons on October 25, 1963 as shown in the *House of Commons Debates* for that date at pages 4043 to 4048.

TAX EXEMPTION UNDER SECTION 2, BILL C-91

Question No. 1,161—**Mr. Laprise:**

1. What is the approximate number of persons who will benefit during 1964-65 from the tax exemption provided in section 2 of Bill C-91?
2. What are the national origins of persons who will benefit from such tax exemption during 1964-65 and (a) what is the estimated number of persons in each group (b) what estimated benefit will each group receive?
3. What is the estimated reduction in tax revenue resulting from such tax reductions during 1964-65?

Mr. McIlraith: 1. The information which would allow an estimate to be made of the number or origin of persons affected by this legislation is not available and cannot be obtained unless recipients of such benefits make themselves known.

2. Answered by No. 1.

3. Answered by No. 1.

MARMOT BASIN DEVELOPMENT, JASPER, ALTA.

Question No. 1,163—**Mr. Horner (Jasper-Edson):**

1. Who were the tenderers for the development of the Marmot basin in Jasper?
2. What were the tenders?
3. Does the government intend to reimburse Toby Raynor for development to date?

Mr. Laing: 1. Marmot Basin Ski-Lifts Ltd., and Marmot Territory Development Ltd., both of Edmonton, Alberta.

2. Marmot Basin Ski-Lifts Ltd., tendered to instal a T-bar lift 2,685 feet in length, a chalet for day use and related facilities estimated to cost $94,710. Marmot Territory Development Ltd., tendered to instal a pomalift of 2,500 feet in length, a chalet for day use and related facilities to a total value of $93,500.

3. No; when the Rayner concession was granted in December, 1962, it was made clear that it conveyed no exclusive possessory rights. The crown has accepted no obligation to protect Mr. Rayner's situation in the event of other developments in the Marmot basin. Mr. Rayner has explicitly accepted this position.

QUESTIONS PASSED AS ORDERS FOR RETURNS

INSTRUCTIONS TO SURVEY PARTIES

Question No. 687—**Mr. Smith:**

1. What are the directions, instructions, regulations or orders given to survey parties regarding (a) purchasing of materials and supplies used in their duties (b) hiring of men?

2. Within the last year, have these regulations been changed and, if so, in that particular way?

Return tabled.

SERVICE CONTRACTS, CAMP GAGETOWN

Question No. 968—**Mr. MacRae:**

1. What service contracts have been awarded by the Department of Defence Production for Camp Gagetown for the fiscal year April 1, 1964 to March 31, 1965?

2. Who submitted tenders and what was the amount of each tender?

Return tabled.

PURCHASE OF MATTRESSES FOR ARMED FORCES

Question No. 1,195—**Mr. Côté (Chicoutimi):**

1. How many mattresses were purchased for the three armed services by the Department of Defence Production in 1962 and 1963?

2. What were the sizes and specifications required?

3. What price was paid for each category of mattress and were they purchased through tender, or otherwise?

4. Who manufactured the mattresses?

Return tabled.

GOVERNMENT ORDERS PLACED WITHOUT TENDERS

Question No. 182—**Mr. Pigeon:**

What is the total amount of all the contracts awarded or orders placed without public tenders, since April 22, 1963, for each individual government department and crown corporation?

Return tabled.

Inquiries of the Ministry

CANADIAN FLAG

PROCEDURE TO BE FOLLOWED AFTER ADOPTION OF RESOLUTION

On the orders of the day:

Right Hon. J. G. Diefenbaker (Leader of the Opposition): Mr. Speaker, would the Prime Minister advise the house whether the unofficial official visit of the Minister of Transport to Buckingham palace had anything to do with the flag question? Would he also advise whether consideration has been given to the fact that use of the union jack, being the flag of the United Kingdom, by any other part of the commonwealth as a commonwealth flag would require the consent of the British government, and possibly statutory action in that connection?

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, the first part of the question I answered yesterday. The second part of the question I will be glad to deal with when the resolution is before the house.

Mr. Diefenbaker: Mr. Speaker, we do not have to wait for three or four weeks. The Prime Minister has tabled a telegram which he sent to the premier of Newfoundland. Surely parliament is entitled to the information made available for placatory purposes in connection with the premier of Newfoundland. According to the telegram the Prime Minister said:

> We have not yet decided whether there should be a royal proclamation to establish the national flag and a separate proclamation to recognize the union jack as the symbol of Canada's membership in the commonwealth of nations and our allegiance to the crown but there is no question of our intention to recommend that both be proclaimed by the Queen.

Has the Queen been made aware of the undertakings given by the government, through the Prime Minister, to the premier of Newfoundland?

Mr. Pearson: Yes, Mr. Speaker. The telegram to the premier of Newfoundland dealt solely with procedure, a procedure which has been followed in the past in matters of this kind by which the government passes an order in council and the order in council is followed by a royal proclamation. This was the procedure followed in the establishment of a Canadian coat of arms and on similar occasions, and is the normal procedure in these matters.

Mr. Diefenbaker: Does the Prime Minister say that ever before the flag of one of the

co-equal members of the commonwealth has been made the flag of another member of the commonwealth, as representing the commonwealth and as one of the two flags of that second country?

Mr. Pearson: I will be glad to deal with that in detail at the appropriate time.

Mr. Diefenbaker: The Prime Minister says it has been done before. May I ask him where? One has just to ask the question to call the bluff.

[*Translation*]

Mr. L. J. Pigeon (Joliette-L'Assomption-Montcalm): Mr. Speaker, I wish to direct my question to the distinguished Secretary of State for External Affairs who is the Acting Prime Minister. I should like to ask him whether he intends to suggest to the government to reconsider the decision taken and to accept the request made by the hon. member for St. Jean-Iberville-Napierville (Mr. Dupuis) on January 23, 1961, for a referendum respecting the choice of a flag?

[*Text*]

Mr. Speaker: Order. I wonder if the hon. member would put this question on the order paper.

[*Translation*]

Mr. Pigeon: Mr. Speaker, I rise on a question of privilege. I have for some time directed many questions to the Prime Minister and today I am directing one to his representative, but no answer is ever given me. I am denied answers to my questions. As the Secretary of State for External Affairs is well aware of the high regard I have for him, I would like him to answer in the negative or the affirmative, by yes or no; thus, the house and the whole Canadian people will be satisfied.

[*Text*]

Mr. Speaker: Order. The hon. member is completely out of order, and he must know it. There is no question of privilege. There may be a point of order, but there is no question of privilege.

[*Translation*]

Mr. Pigeon: In that case, Mr. Speaker, I will put my question to the Acting Prime Minister in a different way—

[*Text*]

Mr. Speaker: Order. I am quite well aware that the hon. member does not wish to cause the Chair any extra trouble.

[Mr. Diefenbaker.]

Mr. Pigeon: No, Mr. Speaker, I do not want trouble with you.

[*Later:*]

Hon. Léon Balcer (Three Rivers): I should like to ask the Minister of Transport if he is in a position to report to the house on his recent trip to Great Britain and on his mission to Her Majesty the Queen when he conveyed to Her Majesty the decision of the Canadian cabinet to bring forward a two-flag resolution in this house?

Hon. J. W. Pickersgill (Minister of Transport): Mr. Speaker, the hon. member, who like me is a privy councillor, has no doubt read the privy councillor's oath and will know quite well why it would be improper for me to make any kind of reply to this question, certainly beyond anything that was said yesterday by the Prime Minister. Therefore, I have nothing whatever to say about it.

Mr. Balcer: I wonder if the minister would agree that the same rules should apply to the premiers of the provinces as well as to members of parliament? I do not see why Mr. Smallwood should be informed about these things before any members of this house.

Mr. Pickersgill: Nor do I.

Mr. Pigeon: May I ask a supplementary question. Did the government consult Mr. Lesage concerning its two flags?

[*Translation*]

Mr. Gilles Grégoire (Lapointe): A supplementary question, Mr. Speaker. I should like to ask the Minister of Transport if, during his audience with Her Majesty the Queen, the possibility of postponing the royal visit to Canada was discussed.

[*Text*]

Mr. Pickersgill: I have nothing whatever to add to what I have already said.

[*Later:*]

Mr. Harold E. Winch (Vancouver East): Mr. Speaker, may I be granted the courtesy of asking this question. Could I ask the Minister of Transport, as a great historian—

Mr. Pigeon: The question period is over now.

Mr. Winch: I have the floor at the moment. Could I ask the Minister of Transport, as a great historian, if he will bring us up to date

on history. We all know why Dick Whittington's cat went to see the queen, but why did Jack Pickersgill go to see the Queen?

Some hon. Members: Oh, oh.

EXTERNAL AFFAIRS

NATO—NOMINATION OF CANADIAN AS DEPUTY SECRETARY GENERAL

On the orders of the day:

Mr. Harold E. Winch (Vancouver East): Mr. Speaker, may I change the subject. I desire to ask a question of immediate urgency of the Prime Minister. Will the Prime Minister confirm or deny the report that the government has now nominated Mr. Roberts, deputy minister of trade and commerce, to the position of deputy secretary general of NATO? If so, what are the qualifications of this person to hold this important post?

May I further ask the Prime Minister whether this nomination is not a political manoeuvre to remove from government service the only remaining deputy minister appointed by the previous Conservative government?

Mr. Speaker: Order, please. I realize the general interest and importance of this question, but the urgency of it does not impress me very much. If the minister is prepared to give an answer to part one of the question he may do so, but part three is strictly out of order.

Mr. Winch: May I have your permission, because the matter is urgent, to say it is my understanding that on Monday of next week an announcement is going to be made by the Prime Minister. I now ask with regard to the second part whether Mr. Roberts has been nominated by the government for this important position in NATO, and what are the qualifications of this nominee.

Hon. Paul Martin (Secretary of State for External Affairs): Mr. Speaker, in view of the question and its implications for a distinguished public servant who has served Canada well under the former and under the present administration, I think I should point out that at the request of a number of countries Canada was asked to put forward the name of someone for the post of deputy secretary general. This suggestion, in the final analysis, could only be realized if the name put forward were accepted by the new secretary general of NATO.

Canada acceded to the request of a number of countries and put forward the name of Mr. Roberts. There was no manoeuvre whatsoever involved. Mr. Roberts was prepared to accept this very important and heavy responsibility, if his name was acceptable to the new secretary general.

Until such time as the latter has taken public and official action, I would not propose to say more, except that I do not believe my hon. friend would want to leave the impression that Mr. Roberts might be assigned to this particular post as a result of any improper or undesirable action on the part of the government of Canada. If this post is accorded to Mr. Roberts, it will only be because he accepted it out of a sense of public duty and because his government considers that, great as his services have been to Canada, they may be needed more in this very important assignment which may be offered to him.

Mr. Winch: A supplementary question. We appreciate the answer of the Secretary of State for External Affairs but would he now, free from generalities and pleasantries, in view of an appointment of such importance, give to this house the qualifications of the man the government has recommended?

Mr. Martin (Essex East): Mr. Speaker, I am sorry that my hon. friend has put this second question. I can say that there is no question about Mr. Roberts having every qualification for this important responsibility which may be extended to him.

Mr. T. C. Douglas (Burnaby-Coquitlam): A supplementary question, Mr. Speaker. May I ask the Secretary of State for External Affairs whether Mr. Roberts prior to this nomination indicated any desire to have his name placed before NATO?

Mr. Martin (Essex East): No, Mr. Speaker. It was only as the result of a suggestion which the Prime Minister and I made to him that in the national interest and in the interest of NATO, if this post should come to Canada, we thought he would be eminently qualified to fill it. I cannot say too strongly, in the light of discussions which are now under way that it is not fair to this eminent public servant to have it suggested that he is taking this post because he is not wanted in the public service of Canada. As a matter of fact, the Minister of Trade and Commerce and one of my other colleagues argued very strongly for his retention for reasons which could soon become obvious.

Mr. Winch: I think the minister will understand the importance of one question. He will admit, I think, it is most extraordinary that the government of Canada should recommend for a position of this importance a man from the Department of Trade and Commerce instead of from the Department of External Affairs.

Mr. Martin (Essex East): I am sure the Leader of the Opposition would confirm the judgment of the government. Mr. Roberts has had outstanding experience in matters having to do with international affairs. There are few men in this country who have had as wide a contact with as many countries as he has had during the past four or five years.

NORTHERN AFFAIRS

QUEBEC—ADMINISTRATION OF ESKIMO AFFAIRS

On the orders of the day:

[*Translation*]

Mr. Réal Caouette (Villeneuve): Mr. Speaker, I should like to put a question to the Minister of Northern Affairs and National Resources.

Is there any truth to the statement made yesterday by Quebec natural resources minister René Lévesque to the effect that the Minister of Northern Affairs and National Resources systematically blocks the negotiations with Quebec concerning the transfer of jurisdiction over the Eskimos of new Quebec?

[*Text*]

Mr. Speaker: Order. Under the rules given to me a question should not inquire whether statements made in a newspaper are correct.

[*Translation*]

Mr. Gilles Grégoire (Lapointe): A supplementary question, Mr. Speaker. Without any reference to the newspaper article, I should like to ask a question of the right hon. Prime Minister. Now that negotiations between Ottawa and Quebec concerning the transfer of Eskimo affairs to the province of Quebec have been broken off, does the Prime Minister intend to appoint another negotiator with whom it will be possible for the province to discuss?

[*Text*]

Right Hon. L. B. Pearson (Prime Minister): Negotiations are continuing.

Hon. Arthur Laing (Minister of Northern Affairs and National Resources): I think yesterday Hon. Mr. Lévesque sought and obtained from his legislature permission to make an extended reply to a question asked by Mr. Daniel Johnson. An assertion of bad faith has apparently been made and that is important to me. Further I think this question is of sufficient importance to this house and to the public, for me to seek the indulgence of hon. members to make a somewhat extended reply, if I may.

Mr. Speaker: Does the house give consent to the minister's suggestion?

Mr. Knowles: In view of the fact that this is Wednesday, when questions are limited to half an hour, should not any time taken up by a statement which is, in effect, a statement on motions, be made outside that 30 minute limit?

[*Translation*]

Mr. Grégoire: A supplementary question, Mr. Speaker. Can the Prime Minister tell us that there has been no breaking off of negotiations between Ottawa and Quebec on the transfer of control of the Eskimo affair, and that Mr. René Lévesque made an erroneous statement on that matter?

[*Text*]

Mr. Speaker: Does the house give unanimous consent to the minister making this statement?

Some hon. Members: Agreed.

Mr. Nielsen: Perhaps by unanimous consent we could revert to motions so the statement would not impinge on time allowed for questions.

Mr. Speaker: Is it agreed that the house should now revert to motions?

Some hon. Members: Agreed.

Mr. Laing: I have not yet seen the text of the remarks attributed to Hon. René Lévesque in the Quebec legislature yesterday on the subject of the Eskimos in Quebec. Neither have I received any communication from Mr. Lévesque in connection with his reported statement that further negotiations looking toward a transfer of the administration of services to Eskimos in Quebec were pointless at this time.

It is the policy of this government to enable the indigenous people of Canada to take advantage of the programs and services enjoyed by all other Canadians. I believe that to achieve our policy the federal government and the provinces must share responsibility and find ways to work together. We were pleased to agree to the request of the province of Quebec for negotiations.

The federal government has not in any way departed from its announced policy as contained in the memorandum of understanding which I announced in the house on March 4 last. The Leader of the Opposition asked me in the house on May 29 whether certain comments attributed to me in press reports amounted to a change in policy, and I stated that the reports of my remarks were inadequate and that the policy had not been changed.

Following the memorandum of understanding the officials of the federal government and of the province of Quebec proceeded with a detailed examination of the problems. Discussions were held frequently throughout the months of March, April and May. Serious differences of outlook between the two governments were made apparent early in the discussions between officials, and in an endeavour to try to overcome these differences Mr. Lévesque and I met in Montreal on April 28, 1964. On May 22 I wrote to Mr. Lévesque to propose that early discussions between he and I to review the work of the officials would be desirable, and on June 1 I received a reply from Mr. Lévesque, dated May 26, agreeing that this course would be satisfactory. On May 22 a meeting of officials was held in Quebec city and telephone discussions have occurred since then. On the afternoon of June 2 a letter reviewing official discussions to date was forwarded by my assistant deputy minister, who has been the senior federal official involved in the negotiations at the official level.

Although points of difference had developed between us, I believed these differences could be resolved. Indeed, further proposals had gone forward as late as yesterday. In the memorandum of understanding of February 29, 1964, it was stated that the governments of Canada and Quebec undertake to consult jointly the Eskimos of nouveau Quebec. The provincial government has insisted that the principle of transfer does not fall within the subject matter of consultation with the Eskimos, and that the range of discussions with the Eskimos rests in the area of techniques of implementation. Our own view has been firmly that the widest range of consultation with the Eskimos must be allowed and the federal government cannot be placed in a position where, because of any agreement with the province of Quebec, we would be forced to impose our views on the Eskimos no matter what the conditions. I do not see that we have any room for departure from the important principle we have maintained.

A second substantial area of difference has been in the insistence of the provincial authorities on a schedule setting up times by which the transfer of various aspects of administration must be carried out. In our view the transfer must depend upon the confidence of the Eskimos whom we seek to help. An abrupt change is unthinkable without the assent of the Eskimos, and I candidly admit to the house that such assent does not appear immediately forthcoming. There were these and other reported difficulties when Mr. Lévesque and I met on April 28, 1964, in Montreal.

At the meeting I proposed that a study be made by the officials of those areas of administration in which the provincial government could become involved immediately. The Montreal meeting concluded on the basis that the officials would consider this approach thoroughly and report to their respective ministers, after which a further ministerial meeting would be held.

If Mr. Lévesque is rightly quoted as saying that I have personally intended to place a road block in these discussions, then I can only say that it is not so. Mr. Lévesque made an announcement on the basis of newspaper reports which attributed certain remarks to me. On May 29 and on June 1 I was asked questions concerning these reports in this house, and I stated that I was inadequately quoted. Mr. Lévesque made no effort to confirm what I had said, and neither I nor my officials received the benefit of any query from Mr. Lévesque. I can only assume that Mr. Lévesque may have had reasons external to these discussions for his reported announcement.

In the patient and protracted negotiations which have been carried forward by my officials with those of the province of Quebec a positive understanding, forbearance and resilience has been demonstrated worthy of the finest traditions of the civil service of this nation. The impasse to which we seemed repeatedly to return was the definition of consultation with the Eskimo people. We have insisted that consultation be, in fact, consultation. Anything short of this would destroy their sense of personal dignity and human worth. One of the more sacred trusts of this nation is the development to full stature in the nation of its indigenous people.

I hope, Mr. Speaker, that before long Mr. Lévesque and I will be able to again

carry forward our discussion of this difficult problem. We must do so if the benefit of the Eskimo people is to be kept in mind.

[*Translation*]

Mr. Grégoire: Mr. Speaker, I should like to ask for the unanimous consent of the house in order to revert to motions so as to hear the statement of the Minister of Northern Affairs and National Resources, in view of the great importance and urgency of the matter.

[*Text*]

Mr. Speaker: Order, please.

[*Translation*]

Mr. Grégoire: Mr. Speaker, since the standing orders allow a member to speak on a motion, I should like to say a few words in regard to the statement just made by the Minister of Northern Affairs and National Resources (Mr. Laing). He did not undertake nor conduct his negotiations properly—

Mr. Speaker, I hear the boos of the Liberals, but when negotiations are underway and a minister takes the liberty of making statements along the lines of those made by the Minister of Northern Affairs and National Resources at Winnipeg, I agree with what the Prime Minister himself recently said to the effect that it was a lack of judgment to make statements when negotiations are underway. I believe this statement by the Prime Minister may apply to the Minister of Northern Affairs and National Resources.

Now, negotiations are indeed underway and we see one of the negotiators making statements and throwing a monkey wrench into the proceedings.

Mr. Speaker, after listening to the statement just made by the minister it appears obvious that the kind of consultation carried on with the Eskimos is only an excuse to delay the negotiations now underway.

There is no doubt about one thing and the minister is aware of it: if there is any government in the country who has respected minority rights, it is the government of the province of Quebec, and one hundred years of history are there to prove it.

Mr. Speaker, the manner in which the federal minister has just replied to the Quebec minister was enough to reveal in what sort of atmosphere the negotiations are carried out. Instead of taking his share of responsibility, the one thing the federal minister insisted on doing was to accuse the Quebec minister. Only one thing must be taken into account. It has become impossible for the Quebec minister, Mr. Lévesque, to continue his negotiations with the federal minister, because the latter is indeed blocking those negotiations personally.

That is why, Mr. Speaker, I think the Minister of Northern Affairs and National Resources should withdraw from the present negotiations and be replaced by someone better qualified than he is to bring to a final conclusion the transfer of the administration of Eskimo affairs into the hands of the Quebec government.

Those citizens must become full-fledged citizens, as residents of the province of Quebec, and I can assure all members of this house, including the Minister of Northern Affairs and National Resources, that the province of Quebec has always respected, more than any other province, the rights of minorities concerning language, religion, etc.

[*Text*]

Mr. D. M. Fisher (Port Arthur): Mr. Speaker, we appreciate the statement made by the minister. We are sad that it does indicate a complete lacuna in the relationships between the two governments. I should like to point out that a very important dominion-provincial conference with regard to the Indians has already been postponed until the fall, and it is not a very happy augury to have one of the governments that will be involved in this later discussion taking the position that it is worthless to talk to the federal spokesman.

Having made these remarks, may I say that we still have a certain sympathy with the minister, and as much as we can appreciate his outline we agree with the position he has taken. The only other comment I should like to make from a party point of view is that it is very apparent that one of the greatest propaganda hoaxes of our time has been that the federal Liberal government and party are the only ones capable of getting along with the provincial Liberal government and party.

Mr. Grafftey: The cold war now.

[*Translation*]

Mr. Marcel Lessard (Lake St. John): Mr. Speaker, I also wish to comment on the statement just made by the Minister of Northern Affairs and National Resources (Mr. Laing) because I feel that the temperature has gone up a little across the house. If I take, on one

side, the remarks made by the hon. member for Lapointe (Mr. Grégoire), which were in a sense rather strong, I think that I can establish a parallel with some applause the minister got from the Conservative side when he said that he did not want to do anything, take any step, before making sure that the Eskimos in northern Quebec would get all the guarantees that their rights will be protected and respected by the Quebec government.

Mr. Speaker, I entirely agree with that point of view according to which the Eskimos of Quebec must be assured, before being transferred to the province, that their rights and prerogatives will be fully protected.

On the other hand I am asking myself the following questions. Why are we questioning the good will of the province of Quebec in granting this protection? What are the reasons for the minister, the government, or any other member of this house, to question the intentions of the Quebec government in this matter?

Personally, I have followed this debate and I fail to see on what grounds we can disagree with this transfer of jurisdiction over the Eskimos to the province of Quebec. In my opinion, the whole history of Quebec is there to prove, beyond all doubt, that we are respectful of the rights and privileges of the residents of our beautiful province of which we are proud.

In closing my remarks, Mr. Speaker, I would like to make a suggestion which I hope to see accepted.

It is perhaps slightly humorous, but I think just the same it is worth taking into consideration.

I would ask the Prime Minister, who is not here at the moment, or his spokesman whether he could not, in view of the present conflict —the breaking off of negotiations between the federal and provincial ministers—delegate as a negotiator in Quebec, the Minister of Transport (Mr. Pickersgill) or Mr. Tom Kent from the Prime Minister's office who managed, as we have seen, to negotiate an agreement in the deadlock which followed the last federal-provincial conference in Quebec.

Following that conference there was a deadlock and everyone wondered where it would lead us. It seems to me that the Minister of Transport, during one of his short trips, as the one he has just made to London, for example, with the assistance of Mr. Tom Kent, managed to find a solution which, even if it was not acceptable to everyone, has at least eased the situation.

I hope the Prime Minister will delegate the hon. member for Bonavista-Twillingate to Quebec city who, in a short trip, probably in a Department of Transport jet, will bring back our two opponents, Messrs. Laing and Lévesque, on more favourable ground toward full co-operation in the interest of our fellow citizens, the 2,500 Eskimos of northern Quebec.

Hon. Paul Martineau (Pontiac-Témiscamingue): In his statement, Mr. Speaker, the Minister of Northern Affairs and National Resources (Mr. Laing) has listed the safeguards which must be granted if we want to be assured that all the interests of the Eskimos will be respected when they are transferred.

On this side of the house we are in favour of such safeguards and we showed that very clearly when this matter was discussed.

In his statement, however, the minister did not refute the very specific charges which had been made in the Quebec legislature by a minister of the province of Quebec.

Here are these two charges:

1. The Minister of Northern Affairs and National Resources has allegedly lifted the veil of silence which he had himself imposed and which had been agreed upon as far as the progress of these negotiations was concerned, by making, first, a public statement in Winnipeg and other statements in the house.

2. That in his new statement the minister has completely and openly violated the agreement in principle concluded on February 29 between himself and his officials on one hand and the Quebec minister of natural resources and his officials on the other hand.

The minister must necessarily supply us with an explanation on that matter.

How can the Prime Minister (Mr. Pearson), in reply to a question directed to him today, claim that those negotiations are still going on when, according to the statement of one of the main parties involved, namely Hon. René Lévesque, they were broken off deliberately due to the personal intervention of the Minister of Northern Affairs and National Resources?

It is really a pity that such a deadlock occurred. I believe that it is desirable, in order to settle that question and especially in the interest of the Eskimos themselves, that the Prime Minister step in directly with the head of the Quebec government and that he appoint, as of now, a new federal negotiator,

in view of the total failure registered by the present Minister of Northern Affairs and National Resources.

[*Later:*]

Mr. Lessard (Lake St. John): Mr. Speaker, I would like to direct a question to the Minister of Justice in his capacity as leader of the Quebec Liberal members in the house.

Could the federal government's reserve concerning the transfer of jurisdiction over Eskimos from the federal to the provincial authorities be interpreted as a lack of confidence of the present federal government toward another Liberal government, that of Quebec?

Hon. Guy Favreau (Minister of Justice): Mr. Speaker, I do not think I have the right to give an answer in the house in the capacity mentioned by the hon. member for Lake St. John. Moreover, I want to point out that the question period having already lasted 35 minutes, I cannot answer this question.

[*Later:*]

Mr. Caouette: A supplementary question, Mr. Speaker. First of all, we have not yet spent 35 minutes on questions.

This is my supplementary question. Could the Minister of Justice inform us of the requests submitted by Quebec, to which the Canadian government cannot or does not wish to accede, concerning the transfer of jurisdiction over 2,500 Eskimos of northern Quebec? Could we know the reasons why the Minister of Northern Affairs and National Resources and the Quebec minister of natural resources cannot come to an agreement?

[*Text*]

Mr. Martineau: May I ask a supplementary question.

Mr. Speaker: There has to be some semblance of order in this chamber. I had already recognized the hon. member for Winnipeg North Centre on two occasions.

[*Later:*]

Mr. Erik Nielsen (Yukon): I have a supplementary question to ask the Minister of Northern Affairs and National Resources in connection with a statement of Mr. Lévesque as it appears in this morning's issue of the *Gazette*. Mr. Lévesque said that part of the agreement which the minister read into the record—

[Mr. Martineau.]

Mr. Speaker: Order. Would the hon. member rephrase his question?

Mr. Nielsen: Well, I had considered raising the matter as a question of privilege and I have to state the question at some length in order to get across to the minister what I am asking.

Mr. Speaker: My objection to the form of the question was that the hon. member was quoting from a statement in a newspaper.

Mr. Nielsen: Very well, Mr. Speaker. As recorded on page 506 of *Hansard* for March 4, the minister made a statement in this house, the first paragraph of which is at direct odds with what Mr. Lévesque is quoted as having said in this morning's *Gazette*. I am asking the minister whether or not the agreement was as he stated on March 4 or whether it was, as Mr. Lévesque says, that the government of Canada was prepared to cede all administrative rights over the Eskimo people to the province of Quebec?

Mr. Laing: Surely, Mr. Speaker, the hon. member would not expect me to accept responsibility for the utterances of another person.

Mr. Nielsen: As a supplementary question, I am not at all suggesting that, but what I am suggesting is that the minister owes an explanation to this house as to why it would seem that what he said on March 4 is at direct odds with what Mr. Lévesque has said.

Mr. Speaker: Order.

Hon. Paul Martin (Secretary of State for External Affairs): On a point of order, Mr. Speaker, the Minister of Justice a few moments ago called your attention to the fact that under the new procedures today was a day when questions were limited to half an hour. Have we not reached that period today?

Mr. Speaker: On the point of order, and in order to clear up any doubt, we interrupted our half hour question period to revert to motions. The minister will recall that we restarted our question period at 3.43, and we should conclude it at 4.02.

Mr. Donald MacInnis (Cape Breton South): Mr. Speaker, on the point of order raised by the Secretary of State for External Affairs, I would first call your attention to the fact that he was not recognized; and further to this point of order, it involves the use of the question period which has been experimented with in the house under the new rules.

I find that the question period is not being applied to each and every member with the same fairness, and in support of that contention I would call your attention to the fact that a number of questions asked were of a similar nature to ones I have asked and answers to which the Chair has permitted. The last one was the question raised by the hon. member for Winnipeg North Centre yesterday, when he inquired about the welfare of workers at the Winnipeg air terminal, which question the Chair permitted while at the same time ruling out my questions of a similar nature concerning 400 workers in Cape Breton.

In further support of my contention that the rule is not applied fairly is the fact that the hon. member for Carleton (Mr. Francis) has had occasion to rise and ask questions about road conditions in Ottawa.

Third, and this is the one which irks me most, the question period in the last few days has devoted much time to the interests of human rights, particularly the welfare of a convicted American dope peddler, whereas the questions I asked about the human rights of 400 workers in Cape Breton have been denied.

Answers have been provided to the house at the will of the ministers. This afternoon a question by the hon. member for Vancouver East (Mr. Winch) was ruled out of order, but when the minister indicated he was willing to answer, then that question was permitted. This was indicated again quite clearly this afternoon on another question concerning the Eskimos. It was also ruled out of order but, because of the minister's willingness to provide an answer, it was permitted.

I fail to understand how questions involving 400 workers in Cape Breton can be continually ruled out of order, with no answers provided, particularly when questions of that nature are allowed in the interest of human rights concerning a convicted American dope peddler. Those same rights are denied to workers in Cape Breton.

Mr. Speaker: There are now a few minutes less in our question period; but in reply to the hon. member, if he is not satisfied with the conduct of the Chair there is a procedure open to him under the rules, and he may take that procedure. On the other hand it might be a very useful experiment to give the hon. member an opportunity of occupying the chair during some of the procedures of the house.

Mr. MacInnis: Mr. Speaker, you maintain there is a procedure open to me. If I thought there was a hope of carrying it, I would put the appropriate motion.

[*Later:*]

Hon. Léon Balcer (Three Rivers): Mr. Speaker, I would like to ask a question of the Minister of Justice as senior minister from the province of Quebec.

[*Translation*]

Mr. Speaker, a little earlier the Prime Minister stated that discussions or negotiations between the province of Quebec and the federal government were being proceeded with, concerning the transfer of Eskimo affairs up north; but, on the other hand, according to Mr. Lévesque's statement these negotiations have broken off.

Could the Minister of Justice tell us who is the minister, deputy minister, official, or federal government representative who is continuing negotiations, as implied by the Prime Minister?

Mr. Favreau: Mr. Speaker, it is obvious that, should I answer that question, I would do so as a member of the cabinet. Moreover, I feel that it should be directed to the Minister of Northern Affairs and National Resources (Mr. Laing), since he is responsible for that matter at this time.

Mr. L. J. Pigeon (Joliette-L'Assomption-Montcalm): Mr. Speaker, may I ask a supplementary question?

So that the transfer of the administration of Eskimo affairs may be made to Mr. René Lévesque's satisfaction, can the minister tell the house if he will take charge of those negotiations to ensure that Mr. Lévesque's wishes and requirements are met, and take that responsibility away from the Minister of Northern Affairs and National Resources?

[*Text*]

Mr. Speaker: Order, please.

[*Later:*]

[*Translation*]

Mr. Grégoire: Mr. Speaker, I rise on a question of privilege. Following certain remarks made in connection with the manner in which discussions are conducted in this house, I must say, on behalf of our group, that we do not agree with the remarks made about the Chair a while ago and that we are satisfied with the manner in which the Chair is conducting the proceedings of this house.

[*Text*]

LABOUR RELATIONS

NORTHLAND NAVIGATION LIMITED—SIGNING OF AGREEMENT WITH S.I.U.

On the orders of the day:

Mr. H. W. Herridge (Kootenay West): I should like to address a question to the Minister of Labour. My question is based on a lengthy telegram I have just received from the president of the Canadian brotherhood of railway trainmen and general workers, local 400, Vancouver, B.C.

In view of the caustic comments contained in the Norris report with regard to the sweetheart deals made between management and the seafarers international union, and in view of the fact that the S.I.U. have signed a memorandum of agreement with Northland Navigation Shipping Company Limited, would the minister inform the house if it is the role of the maritime trustees to approve substandard agreements entered into by the S.I.U. that make it difficult for Canadian unions to obtain satisfactory settlements? Will the minister look into this question?

Mr. Speaker: Order, please. I have grave doubts that this question is in order. The last two lines of the question in my opinion are not asking for details. The question is very long. In my opinion the question is just on the edge of being out of order. However, in order to accommodate my hon. friend, upon whom perhaps I have been a little rough the last two days, may I suggest that he put it on the order paper.

Mr. Herridge: I am quite willing to withdraw my opinion and leave the rest of the question.

INTRODUCTION OF LEGISLATION RESPECTING LABOUR CODE

On the orders of the day:

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, my question was for the Prime Minister, but in his understandable absence perhaps I may put it to the Minister of Labour. When the list of business was given to us today, was it an oversight that the proposed national labour code was not included? Can the minister say whether this legislation will be on the order paper this month?

Hon. A. J. MacEachen (Minister of Labour): It was not an oversight, because the government attaches a great deal of importance to this particular legislation. Most of the policy decisions with regard to this legislation have been made and it is now in the course of preparation, and will appear on the order paper just as soon as this stage is completed.

Mr. Knowles: When will that be, this month or next month?

NATIONAL DEFENCE

CRANBERRY PORTAGE, MAN.—ASSISTANCE FOLLOWING CLOSING OF RADAR STATION

On the orders of the day:

Mr. Robert Simpson (Churchill): Mr. Speaker, I have a question for the Minister of Defence Production or possibly the Minister of Finance. Can either of the ministers inform the house whether the government is considering financial assistance to the residents of Cranberry Portage, Manitoba, in relation to the very heavy debts with which they have been saddled in the matter of school debentures, which were negotiated in good faith on the continuance of the mid-Canada radar site at that location? If not, will the government assure the house that full consideration will be given to this matter at an early date?

Hon. C. M. Drury (Minister of Defence Production): Mr. Speaker—

Mr. Speaker: Order. This is surely a question for the order paper.

IMMIGRATION

ADMINISTRATIVE CHANGES RESPECTING PERSONS HELD FOR DEPORTATION

On the orders of the day:

[*Translation*]

Hon. René Tremblay (Minister of Citizenship and Immigration): Mr. Speaker, in reply to questions a few hon. members have asked concerning administrative measures taken by the department to prevent people from being held in custody too long, I should like to give the house the following information:

1. Information concerning any person held under the Immigration Act must be sent promptly to the central immigration office—

[*Text*]

Hon. Gordon Churchill (Winnipeg South Centre): On a point of order, Mr. Speaker, this is the second time the minister has attempted to make a statement purporting to be in answer to questions in the house. We

should either revert to motions, when this statement could be made, or questions, if answered at the time they are asked, should be left at that stage. The other day the minister made a lengthy explanation of incomplete answers. Is he now about to do the same thing?

Mr. Speaker: Is the statement of the minister a long statement or a short statement in answer to a question?

Mr. Tremblay: Mr. Speaker, it is in answer to a question. It is a short statement.

Hon. Léon Balcer (Three Rivers): Is it long or short? On a point of order, Mr. Speaker, I think it is extremely important that we know if it is a very long answer that would constitute a statement on motions, or whether it is strictly an answer, by yes or no, to a few questions asked yesterday. If the minister is anxious to answer questions he should answer them when they are asked, and not wait until another day and make a full statement trying to cover up his first one.

Mr. Speaker: I would advise the hon. member that I asked the minister if his statement is long or short and he has assured me it is a short statement.

[*Translation*]

Mr. Tremblay: 1. All information concerning a person detained under the Immigration Act will have to be forwarded promptly to the head office of the department in Ottawa.

2. Such information will be placed on file in Ottawa where it will be checked daily by senior officials of the department.

3. Report will also have to be made immediately to Ottawa concerning the progress of any action taken against a person detained under the Immigration Act or otherwise. That will enable the officials entrusted with the supervision of such cases in Ottawa to know exactly how matters stand at any given time.

4. Any person against whom a deportation order has been issued will be deported as soon as the necessary arrangements can be made concerning transportation and reception by the country where the person is being deported (unless charges have been laid under the Criminal Code).

[*Text*]

SHIPPING

CONSIDERATION OF ESTIMATES PROVIDING FOR EMERGENCY ASSISTANCE

On the orders of the day:

Mr. G. H. Aiken (Parry Sound-Muskoka): Mr. Speaker, may I ask what is apparently to be the last question today of the Minister of Public Works. This is an urgent matter, because almost a week ago the minister said he would shortly be tabling supplementary estimates relating to the low water problems. Can the minister give us an indication now of how soon they will be tabled?

Hon. J. P. Deschatelets (Minister of Public Works): Very shortly, Mr. Speaker; and may I add that probably tomorrow I will make a statement covering this important matter.

Mr. Aiken: On motions?

Mr. Deschatelets: As usual, Mr. Speaker.

POWER

COLUMBIA RIVER—APPROVAL OF RATIFICATION OF TREATY

Hon. Paul Martin (Secretary of State for External Affairs) moved:

That it is expedient that the houses of parliament do approve the ratification of the treaty between Canada and the United States of America relating to co-operative development of the water resources of the Columbia river basin, signed at Washington on January 17, 1961, and the consequent coming into force of the protocol thereto annexed to the exchange of notes signed at Washington on January 22, 1964, and that this house do approve the same.

He said: Mr. Speaker, the committee on external affairs, which dealt with the Columbia river treaty project, made its report to this house, and this will be found in *Votes and Proceedings* for May 28 last. I am sure that all members of the house who were not on that committee would want me to say to the chairman, to the vice-chairman and to all the members of that committee how grateful we are for the thorough way in which this subject was considered by the committee, not only by those who supported the treaty and the protocol but by those who took issue with both those instruments. Certainly, as the minister responsible, I want to add my own personal gratitude for the fact that this committee, which held 50 sittings, did such a thorough and responsible job. I am sure the country will be grateful.

Columbia River Treaty

On March 3 I moved that the Columbia river treaty and protocol should be referred to the standing committee on external affairs. The committee reported, as I have just observed, on May 28 with a statement of clarity that I think deserves to be repeated. The substantive part of the report says:

> Your committee has considered and approved the abovementioned treaty and protocol.

In moving the present resolution, which is based on the committee's report, I would hope to be brief because I made an extended statement when this matter first came before the house and I made two statements in the committee. My remarks will be brief because the entire situation relating to the treaty and the protocol has been set forth fully and in detail. In addition, all hon. members, those on the committee and those who are not, received the white paper which set forth the relevant documents. All hon. members, have also received the "Presentation", a book of 172 pages giving a complete background and explanation of the negotiations, the arrangements finally concluded and the advantages that flow from them. I made a thorough survey of the whole matter in my statement on March 3, and again in concluding the debate on the motion to send the document to the committee on March 9. I believe this house had a useful debate on the entire treaty arrangement and the changes made by the protocol.

The committee on external affairs has examined the Columbia river treaty with a thoroughness that has been accorded, I believe, to very few subjects in the history of this parliament. It held, as I observed a moment ago, 50 meetings between April 7 and May 21, and its proceedings, up to the last issue I have received, cover some 1,407 pages. In addition, briefs have been received and witnesses have been heard and cross-examined; indeed, every aspect of this great plan has been examined, checked, assessed and set forth. There is, it seems to me, little that need now be said.

The critics of the treaty have been heard and their arguments have been probed with care. In my statement to the committee on May 21 I summarized and commented on the points that have been made by those who criticize the treaty and the protocol. All the arguments dealt with questions that had been raised in one way or another before or while the protocol was under negotiation. All were weighed then with care, and all have been examined again. They do not in any way alter the judgment which I, as the responsible minister, and the government as a whole had made. In my statement of May 21 I gave the reasons why the arguments of the critics cannot be accepted as in any way invalidating the case that has been presented on the outstanding advantages of the two instruments concerned. In the statement which I made in this house on May 3, 1964, I summarized them as follows:

> 1. We will be able to instal over 4 million kilowatts of capacity at points in the Columbia river basin in Canada capable of producing annually about 20 billion kilowatt hours of energy for Canada at an at-site cost of approximately two mills per kilowatt hour. This installed capacity is nearly one and a half times the total present hydro-electric installation in British Columbia and about one fifth the total for all of Canada, all at the very low cost of two mills.
>
> 2. We will secure prevention of floods in settled areas on the Kootenay and Columbia rivers.
>
> 3. We will have the continued production, at the end of the 30 year sales contract, of downstream benefits in the United States with a potential value to British Columbia of $5 million to $10 million per year for the life of the treaty and possibly thereafter.
>
> 4. We will be entitled to additional payments of up to $8 million by the United States for extra flood control if it is required during the treaty period.
>
> 5. Construction of the projects will require a peak labour force of about 3,000 men. An average of some 1,350 will be employed on the dams alone during the nine year construction period of the treaty storage projects. Expenditures by this labour force and by industries across Canada on the production of materials and equipment for the dams will create a great many more jobs.
>
> 6. Following the construction of Duncan, Arrow and Mica there will be a continuing building program for a further 10 to 15 years for other large dams on the Columbia river.
>
> 7. Canada will secure an increase in foreign exchange resources from the payment by the United States of $319 million in United States funds, of which $254 million will be paid in 1964.

These are tremendous advantages, Mr. Speaker. They cannot be secured except in a co-operative arrangement. It is quite clear that the cost of power would be much greater and the results to Canada infinitely less beneficial if we tried to develop the Columbia alone. No one seriously suggests this should be tried. It is equally clear, I think, that the arrangement worked out is no second best. Careful engineering studies show that the arrangement is better than any alternative sequence of development. This was clearly emphasized by all of the engineering experts who appeared before the committee and by all of the notable engineering firms represented before the committee; and I think I can say that nothing has been produced to

the contrary from an engineering viewpoint which has not been controverted. It would be utter folly not to proceed with the plans that have been so meticulously worked out by two governments of Canada over so many years.

The advantages of the treaty and protocol can be realized without in any way impairing our sovereignty or our ability to draw full advantage for Canada from the waters of the Columbia system. We have also established explicitly and clearly our right to make diversions within the basin or consumptive diversions outside the basin if and when they are needed.

In concluding my remarks on March 3, as reported at page 489 of *Hansard*, I said:

> —we have before this house a treaty that should, and will, commend itself to the members of this house, as I am sure it will to the great majority of the people of our country. The plans that have been prepared are good plans. The engineering is nearly finished. The money to be paid by the United States will be raised in the coming weeks. It is for us to decide whether the fruit of years of effort is to be gathered for the benefit of the people of Canada now and in the years to come. I have no doubt, on the basis of the record, what the verdict of this parliament will be.

The results of the consideration by the committee on external affairs have amply confirmed the conviction I then expressed. Witness after witness, either in chief or in response, clearly indicated that there was no exaggeration in the position put forward by those who believe that this treaty and the protocol are in the interests of the owner of the resource, in the interests of Canada and in the interests of responsible and good relations with our neighbour.

I would hope, Mr. Speaker, that on a matter of this kind, which is not partisan in any sense, we might move quickly, even unanimously. Work can be done this summer. It will be started even in advance of ratification if the decision of parliament is clear. We will begin to feel the good effects at once, and they will benefit our country for generations.

As I have said, I think it has been demonstrated beyond reasonable doubt that the treaty and protocol constitute an arrangement that will redound to the enormous advantage of this country for years to come. They represent the efforts of 20 years of careful consideration and the considered policy of two governments of Canada, as well as the viewpoint and the wish of the owner of the resource itself, the government of the province of British Columbia. The treaty and the protocol are the fruit of two decades of careful study, mature consideration and hard negotiation. We can all take satisfaction from what has been accomplished. The time has now arrived for action.

I commend the present resolution to the favourable consideration of this house in order that such action may begin at once.

Mr. Stuart A. Fleming (Okanagan-Revelstoke): Mr. Speaker, the minister referred to the 20 years which have elapsed since the first discussions and initial negotiations on the Columbia river development began. Since that time perhaps millions of words have been written and many more spoken about this development. Probably at this particular moment in time there is very little more that is either new, or which can add to what has already been written and said on the subject. The exhaustive hearings of the external affairs committee over the past two months on the subject of the Columbia river development have brought forward many briefs. Hours of testimony in answer to questions by members of the committee were given. As the minister has stated, every aspect and facet of the development has been probed, analysed and assessed. We now come to the point where a decision is to be made by this house. It is therefore appropriate to endeavour to summarize, at least briefly, where we stand, where our respective parties stand, and how individuals who have been concerned directly or indirectly with this matter over the years feel at this point when a decision is to be made by this house.

As one who has lived most of his life within the Columbia basin and who has heard of the dreams of people who have foreseen the development of the river, I can say that many generations have passed since the first of our pioneer citizens looked at the immense water flow of the Columbia and realized how its energies might be harnessed. We now come to the point where it is no longer a speculative matter. It is no longer a question of what might be done: We now know what can be done, and we are to make the decision whether it will be done.

During the period of negotiation it was always the objective to establish a foundation for a treaty under which the full power development of the river in Canada could be achieved. So we have a treaty that includes three dams, which are referred to by the treaty primarily as storage dams—or the general reference to their function is as

storage dams. Because this is so there has developed across Canada over a period of years, since the treaty was signed particularly, the impression that this was the whole, and the all, with regard to the Columbia development in Canada; that three storage dams were all that the Canadian people could anticipate from the Columbia; that they would provide for the generation of power in the United States and for flood control protection in the United States, and that would be the end of it.

Of course, Mr. Speaker, if that were so then there would be no justification for this house to waste very much of its time on this treaty. But it is not the case and never has been. I, and I imagine all of those who supported the former administration when the treaty was negotiated, appreciate the fact that the present administration has come around to the viewpoint that this treaty is a good one and does provide the foundation which is sought for the development of the Columbia in Canada. By creating storages on the river, by regulating its flow and by securing a 50 per cent return, as the treaty did, of downstream benefits either for power or flood control, a means was secured by which the construction of immense power development in Canada could be made economic on the most favourable terms—not at just favourable rates but at preferred rates, some of the lowest cost power in the world. We have had these assurances in the committee both from the minister of lands and resources of the province of British Columbia and from the chairman of the British Columbia hydro authority, that they saw the treaty as one which provided this potential and that it was a policy of the hydro authority to proceed with the further developments which make the project so attractive.

The installation of generators at Mica Creek, which Dr. Keenleyside said could take place very shortly after the construction of the dam at that point will lead to most substantial benefits. At one point we were told that 1.8 million kilowatts of power producing capacity would be made available at site at 1.5 mills. In order to appreciate this one has only to recall that in British Columbia now the average cost of power is somewhere in the region of five mills at site. Second, as the Columbia is developed this immense reserve of power incorporated in the B.C. power and hydro system will bring about a great reduction in the cost of power throughout the province. We should also realize that the Mica creek development is not the only one possible. Downstream from Mica at Downey creek, Revelstoke canyon, Murphy creek, on the Kootenay river and, possibly, at sites in east Kootenay, to mention only some of the possibilities, further installations can be built until some four million of kilowatts of capacity are generated in Canada at an average cost of two mills on site.

This, of course, was the objective throughout—to create for British Columbia the possibility of the total utilization of the river in Canada resulting in the production of power at low cost in order to make industry more competitive and enable industries which are high consumers of electric power to locate in the area, as well as providing electric power at low cost to agricultural users in those large farming areas where irrigation is the life blood of their existence and where the cost of pumping water is now so high.

There would be over the years throughout every aspect of life in British Columbia a new advantage gained through the availability of immense stores of power averaging in cost in the neighbourhood of two mills.

This was the objective, and this is what the treaty achieves. This is what the present administration is now prepared to recognize. Since the treaty was signed and the disagreement arose between the federal and the provincial governments after the signing, a new element has been added to our consideration of this question. This element has been added as a result of the decision of the government of British Columbia to proceed with the development of the Peace river project, its intention that the Peace river should provide British Columbia with its domestic power requirements for the next ten years and that the downstream power available under the treaty should be sold to the United States rather than returned to British Columbia in the form of power. This party when in government advocated strongly that the benefits be returned to British Columbia as power to serve the needs and industrial growth of the province over the next 10 or 15 years. However, that contention did not prevail.

In September last this question was taken to the people in a provincial election. The present administration in British Columbia

put forward its argument in favour of a two-river development, and that policy prevailed. The present government won its new mandate and the Peace river power project is going ahead. It will provide power for the domestic requirements of the province over the next ten years or so and, therefore, the benefits downstream on the Columbia become surplus to provincial requirements. Unless a favourable sales agreement could be made in the United States with respect to this downstream power the Columbia development was at an end. This was the only conclusion that could be reached after September 30 of last year when the provincial government decided to proceed with its Peace river development. For this reason a favourable sales agreement had to be achieved, otherwise all the work which had gone into the surveys and planning of the Columbia scheme would probably end up in pigeonholes with only historical interest attached to them.

But a sales agreement has been negotiated. Many questions have been asked by myself and by other members of the external affairs committee seeking assurances that the sales agreement does provide the provincial government with the money necessary for the construction of the three storage dams and also, as contended, leave a surplus sufficient to provide part of the cost of installing machinery at Mica creek. Assurances have been given to the committee to this effect by the Secretary of State for External Affairs (Mr. Martin) reinforced by the testimony of the chairman of the British Columbia power and hydro authority. There are some complex equations in these computations. Interest rates are used which we have to assume will be the correct ones, and so on; but on the face of the testimony given I feel the committee received assurances that the sale agreement will provide the benefits claimed for it in the white paper. This being so we can proceed confidently on the assumption that the development of the river will produce power at the very low costs which are claimed for the project. The assurances which we sought have been given and these assurances have been reinforced by government spokesmen and by statements from the engineering witnesses. So, in my judgment, we are able to support the ratification of this treaty.

I am, of course, fully aware that many of the critics remain critics; they have not changed their position. They have come to their decision honestly and earnestly. In many cases they hold their viewpoints passionately. They feel something has been done which could have been done otherwise and better. I suppose it would have been possible to have written a better treaty in one set of circumstances. If there had been no boundary settlement in 1846 and if the Oregon territory had not wound up in the United States, and if there had never been a British North Amercia Act separating the jurisdiction of the federal and provincial governments, especially in the field of resource development—in these circumstances we could have written an excellent treaty. Of course, in these circumstances we would not have needed a treaty; we could have developed the river ourselves.

However, those circumstances do not prevail. There has been, throughout, a realization that there would have to be a reconciliation of the rights and interests, not just of Canada and the United States but of the federal government in Canada and the provincial government in British Columbia. There was a realization that inevitably there would have to be compromises made, but always seeking to secure a net advantage for Canada and to make sure that the advantages derived would be far greater than could be achieved by any other means. Mr. Fulton explained very clearly in his testimony several times that it was the purpose of getting the maximum net advantage for Canada that motivated him and the other federal negotiators at that time.

We have heard about many alternative sequences of development. Undoubtedly those who claim that there are better methods of development feel that the government of Canada could have disregarded the wishes, interests and rights of the provincial government and imposed its will on that government in order to secure development along other lines. Surely if there is any validity in the federal system of government, surely if there is any validity in the claims of the provinces with regard to their jurisdiction over their lands and resources, the federal government must take into account the wishes of the province concerned in negotiating an agreement of this kind.

The immense magnitude of the program is most apparent, as are the changes in the face of the land that are bound to take place. It was known from the beginning that, regardless of what sequence of development was chosen the changes would be of such magnitude that the face of the land in the Columbia basin would be altered, that immense areas would have to be flooded, that there would be

dislocation and that new conditions of living would be imposed in that region. However, there had to be the assurance in the minds of the negotiators, both federal and provincial, that although these changes were necessary the benefits would be far greater and sufficiently great to justify the changes both in the land and in the lives of numbers of people. There had to be the assurance that no one would suffer loss, that there would be alternative programs of settlement and redevelopment on available lands, that there would be redevelopment of communities affected together with compensation to those who would suffer loss sufficient to provide them with a stake to re-establish themselves.

All of these assurances had to be given. All of these factors had to be in the minds of the negotiators throughout the period of preparation that led up to the signing of the treaty, and the submission of the treaty and the protocol to the external affairs committee for a recommendation.

In the immense volume of testimony before that committee assurances were given on all of these points. In my view some of the statements by the government of British Columbia do not go far enough yet. Their plans have not yet been revealed in sufficient detail. But Dr. Keenleyside did go into some detail in his submission. On page 15 of the brief he submitted to the committee he referred to the special organization established within B.C. hydro which has been working on the over-all redevelopment plan, the additional plans they have in mind and the path which they will follow. We have also been given the assurance by the provincial minister of lands and forests that these matters are of first consideration to the government of that province.

Having secured these assurances, we in this house have gone as far as we are able to go. We have gone as far as we have a right to go in regard to these questions which affect primarily the rights and responsibilities of the province. If answer are still to be secured they must be secured in British Columbia from the provincial government, and the B.C. hydro and power authority. I believe we have arrived at the point where we must be prepared to accept the assurances of men of distinguished public service such as Dr. Keenleyside, and a man such as the minister of lands and forests of that province who has consistently been returned by the people of British Columbia to positions of high authority. We must be prepared to accept the assurances of these people that they are going to provide for these essentials. I think it remains for the people of British Columbia within British Columbia to secure from the government of the province and B.C. hydro the details of how they are going to undertake to fulfil their commitments to the people whose lives and property will be affected by this development.

[Mr. Fleming (Okanagan-Revelstoke).]

A relatively new factor has been injected into the consideration of the treaty during the past year. It has to do with the possible diversion of water to the prairie region. A submission was presented by the previous administration of the province of Saskatchewan. It was an interesting one, not one that could be thrust aside and not given proper scrutiny and examination. But as a British Columbian who lives in the dry belt where a great part of the area is totally dependant upon the utilization of water in irrigation systems, as one who knows something of the cost of bringing water to the land and of the low cost that must be maintained in moving water so that it is economically feasible to use it when you get it to the point where you need it, I have had considerable doubt throughout with regard to diversion over the main range of the Rockies as a means of securing additional water for the prairie region at this particular time. Some evidence was submitted to indicate that there are other rivers more readily accessible from which water can be drawn.

There may come a time when it will be necessary to exert our right of diversion in order to move water over the main range into the South Saskatchewan and on through Alberta, Saskatchewan and possibly into Manitoba. This day may come. In my view article XIII of the treaty provides that this may be done. It does not say so specifically, but I believe it is far better that the right be provided in the treaty and that we leave the specifics to negotiation when the necessity arises. Do not tie the hands of the government of Canada at this point, but leave it with the freedom of movement that it will probably require when specific diversions are to be made. But diversion for consumptive purposes is guaranteed and assured under the treaty, and the principal reason for diverting water from the Columbia basin to the prairies or to another part of British Columbia would be for consumptive purposes or, as it is defined, domestic or agricultural purposes.

I believe that the treaty in its original form, and now supplemented by the protocol, provides a basis upon which the development of the Columbia in Canada can take place to the advantage of Canadians in general and the people of British Columbia in particular. I believe the opportunity is presented to us now to realize the dreams of half a century. I believe that the treaty should be ratified. I believe that as time goes on the wisdom of this decision will make itself more and more apparent.

I also realize, of course, that all of us who are interested in this project must maintain our vigilance to see that those people whose lives will be at least temporarily disrupted by this great development will not suffer as a consequence of the benefits conferred on other citizens. Provided this is done, I am sure that the benefits will far outweigh the temporary inconveniences of change. But because change is inevitable, because change is a fundamental factor in any development of the Columbia, we must accept that fact and now proceed with the ratification of the treaty which will not only bring about these changes but will confer benefits on the province really too great for us to contemplate or endeavour to measure at this time.

There will still be opposition. There will still be objection. I do not believe this could have been avoided under any scheme of development. This scheme, as envisaged in the treaty, represents the work of a great many dedicated public servants and political leaders. I feel that it will confer the benefits that British Columbia and Canada seek. I trust the resolution will receive the approval of the house.

Mr. Andrew Brewin (Greenwood): Mr. Speaker, I should like to say at the very outset that we propose to oppose this resolution with all the vigour and determination that we can muster. We are under no delusion whatever about the fact that the decision has already been made, although it has not yet been registered. It is our belief that although to some people it would appear to be an exercise in futility to oppose that which is inevitable, nevertheless we believe that even if we stand alone in this house it is in the interests of Canada that opposition to this treaty be expressed, and that our objections be now heard.

It may well be that the reason there are so few members in the house at the present time and so few representatives in the press gallery, when we are dealing with a treaty which in its significance far outweighs 99 per cent of the matters which come before this house, is that there is a feeling of inevitability. The government has spoken. The government has said that this treaty will be passed in this form. After all, this treaty contains, in our view, only very minor changes from the treaty approved by the former administration. Perhaps it is because there is an atmosphere of inevitability that, when we are asked in this parliament to perform the solemn act of approving, of ratifying a treaty of such tremendous significance to Canada, there are so few apparently concerned enough to be here to deal with this matter.

So far as we are concerned, Mr. Speaker, it is our hope that if we point out as clearly as we know how what we believe to be the serious errors in judgment contained in this treaty, perhaps they will not be repeated in the future. An awareness of what we, and any other individual Canadians believe to be the defects of this treaty may help to insure that in the future the interests of Canada will be safeguarded more effectively than we believe they are in the present treaty.

To some members in this house, it may seem strange that our party which has a very large, and if I may say so, a very capable representation from British Columbia, should have as its first spokesman on this treaty dealing with a river that runs through the province of British Columbia, a member from eastern Canada. Perhaps this is symbolic of our conviction that the Columbia river treaty affects national as well as provincial interests and deserves the most careful scrutiny of every member in this house, because it concerns every Canadian.

I speak as one who tried to follow carefully the evidence before the external affairs committee, and it is our conviction that, in the words of a very distinguished Canadian, this treaty is a very bad treaty for Canada, and parliament should know it. I am quoting the words of General McNaughton who, I suggest, is not only a very distinguished Canadian but better qualified to express an opinion on this treaty than any other Canadian. It is true, I suppose, that those who listen to evidence pick out those things that suit their preconceived views. Nevertheless, I say that, having listened to the evidence, we endorse, support and accept that characterization of the treaty, that it is a very bad treaty for Canada.

It may well be, Mr. Speaker, that the provisions of this treaty, which extend into the

future for 60 years and in some respects even beyond that time and deals with many highly technical engineering matters, are necessarily so complex that to debate them in detail would require many weeks or many months. However, we are going to try to highlight and emphasize what we believe to be the main issues. Let me make it clear at once that we are not opposed to all treaties. We are not against the co-operative development of this international river. We are not in favour of going it alone. It is this particular treaty that we regard as not being in the best interests of Canada. We are not anti-American, but we do not believe that our friends in the United States will respect us one whit less because we stand up firmly for what we believe to be in the interests of Canada.

Now, Mr. Speaker, since I have spoken in these fairly definite terms about our view of the treaty, what are the major aspects of the treaty we criticize? I do not propose, but some of my colleagues will, to go into a careful analysis of the treaty in so far as it affects two important aspects. One of these is flood control. One of the purposes of this treaty, in part, is to provide for flood control by dams on the Canadian part of the river, and we are to receive certain payments for that. Whether or not the details of the treaty in that respect are satisfactory or adequate, some of my colleagues will outline later. I do not propose to discuss the matter. I do not propose to discuss the question of whether the projects proposed in this particular treaty or the projects envisaged by sequence 9A, commonly known as the McNaughton plan, will provide most satisfactorily for the generation of hydroelectric power. We recognize that the generation of hydroelectric power is extremely important, now and in the future, in relation to any proposal for the development of the Columbia river on an international basis or on any other basis. I do not propose to discuss whether or not we have been paid adequately for the downstream benefits that the projects proposed by the treaty will make possible, or whether other projects were more suitable in the interests of Canada. I will leave discussion of these matters to my colleagues.

I want to say this, that our major objection to this treaty can be summed up in a single word: water. We believe that the future interests of Canada in the use of water for purposes of irrigation and other consumptive purposes, have not been secured by this treaty. In fact, we believe they have been given away without a cent being paid for them by our friends in the United States. This is the underlying issue—the future importance of water to future generations of this country; and that, we say, is the core of our objection to this particular treaty.

Mr. Martin (Essex East): I think my hon. friend will recognize that there are those who take strongly the view that there is no basis for that statement.

Mr. Brewin: I appreciate that, and that is why I am going to develop it and try my best to demonstrate to this house, within the time limit available, why we say the right of diversion for these consumptive purposes is not adequately protected by this particular treaty.

Let me first of all state—and I am not an engineer and I do not propose to give engineering evidence—that the use of water is increasingly important to the maintenance and development of our civilization, and the demand for flows of water for irrigation and other consumptive purposes, and multiple purposes, is a *sine qua non*. It is a necessary condition of the growing development of our country, and it is because this treaty does not —and I repeat the word "not"—in our opinion provide adequately for the potential diversion, perhaps 20, 30, 40 or 50 years from now, into the prairie provinces arid area, and because in our view it shuts the door to that, we say this treaty is not in the interests of Canada as a whole.

I am fully aware—because I spent a good deal of time listening to the Secretary of State for External Affairs and other witnesses assert, with the force with which the Secretary of State for External Affairs usually makes his assertions—that in fact this treaty contains in article XIII adequate provision for diversion. I want to deal with that particular matter at this moment. It is perfectly true that the treaty explicitly provides for diversion for consumptive purposes, but lying within that phrase is an ambiguity which has never been cleared up in the evidence and which I believe cannot be cleared up. This is where the difficulty lies. "Consumptive purposes" are defined explicitly in the treaty so as to exclude the use of diversion for the generation of power.

Now, Mr. Speaker, the evidence before the committee that was produced by representatives of the government of Saskatchewan and

its hydro engineer, Professor David Cass-Beggs, a very well known engineer in this field, and whose view I support, was that any practical form of diversion could not be exclusively for the purposes of consumption alone—for irrigation and other related purposes—but in order to be practicable it would have to involve within it the generation of power, not only to pump the water over the Rockies but in order to make the whole development economical; and as the water flowed through the South Saskatchewan river, from which it could be diverted in Alberta and Saskatchewan for irrigation and other purposes—industrial purposes that are becoming growingly important in those provinces and to the development of those provinces—it would inevitably flow through the power plants erected on that river, and must therefore from the beginning be contemplated as for the generation of hydroelectric power. But the definition of "consumptive use" exclusively excludes its use for the generation of hydroelectric power. The real thing therefore is that the use is not merely for consumptive purposes. It is not a use merely for the generation of electric power. It is a multiple use, and that is the only practical use involved.

The Secretary of State for External Affairs, and others putting forward the argument for the government, kept on repeating that if the main purpose is for consumptive use, if this is the real purpose, the primary purpose, or some other sort of clarifying purpose, then Canada has a right to this diversion, but they produced no single opinion to back that up. They refused to inquire from the representatives of the United States whether they agreed with this interpretation, and I challenge that interpretation as being inconsistent with the evidence given, the clear meaning of the words used, and the definition of the words in the treaty.

If perchance I am wrong, if perchance my own view of the clear meaning of these words should be in error, at the very least there is an ambiguity. I see the hon. member for Coast-Capilano (Mr. Davis) sitting in the house, and he put this very frankly in the debate. He said there was an ambiguity in the use of these words. Of course there is an ambiguity, if not worse than an ambiguity.

Mr. Martin (Essex East): But after he heard the Secretary of State for External Affairs he changed his view on that point.

Mr. Brewin: I think his opinion, when he spoke in this house just a few months before he heard the siren tones of the Secretary of State for External Affairs, was a little better and nearer to the facts than any change of opinion he may have had since, although I do not know whether he has changed his opinion since then or not.

I frankly confess, myself, to be shocked by the fact that when a treaty of this consequence was being negotiated, dealing with a matter so vastly important as the use, the diversion for consumptive purposes, for the benefit of the people of the prairie provinces, no satisfactory legal opinion was prepared, presented or ever put in writing at all so as to guide the government and the negotiators.

We have heard a lot about the 50 sittings which the committee had. I now tell the house and the country that during all those 50 sessions only one reasoned legal opinion was presented, and that was by Mr. Strayer of the University of Saskatchewan in Saskatoon, who gave a reasoned exposé, with authorities and analysis of the treaty, to indicate that in his view, and I share it, there was no provision for the diversion for multiple purposes.

But, Mr. Speaker, let us assume for a moment that there is some doubt about this. What we say is that that doubt should be cleared up before any treaty is ratified. Before I conclude my remarks I propose to move an amendment which will clarify that matter, so that the people outside the province of British Columbia can be assured that what the minister asserts, namely that he has secured this right of diversion for these multiple purposes, which is the only practical diversion, is in fact acceded to by their fellow negotiators in the United States signing this treaty.

Mr. Speaker, may I call it five o'clock.

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

TRADE

PROMOTION OF TRADE WITH EASTERN CARIBBEAN FEDERATION

Mr. Heath Macquarrie (Queens) moved:

That, in the opinion of this house, the government should consider the advisability of establishing free trade between Canada and those West Indies islands comprising the proposed eastern Caribbean federation.

He said: Mr. Speaker, it is not often vouchsafed to a humble backbencher to have in immediate sequence two "brief gaudy" hours on the private members' hour, and perhaps because of some of the remarks passed about me yesterday I should have stopped when I was slightly ahead! However, I am sure the subject matter of this motion is of importance to all hon. members, and I would like to discuss some of the aspects of trade with that part of the former British West Indies federation.

It is perhaps appropriate that a citizen of an island province should initiate the discussion on this matter concerning communities made up of islands. I also have a particular interest in this area, not only because I am a maritimer but in my years of lecturing at certain maritime universities it was my pleasure to have in my classes many fine young people from the part of the world to which this resolution directs our attention.

I recall so well that on July 21, 1958, parliament had before it a motion by the President of the Privy Council (Mr. McIlraith), as he now is, which under the rules at that time we discussed for a full day. I thought I could do no better than model my motion on the wording of his, except that I altered the geographic area as a result of what has happened with the break-up of the former federation, that political community for which we all had such hopes but whose collapse did not surprise us so greatly; certainly it did not surprise many of the people living there. The geographic area which we are discussing here comprises the seven islands, Barbados, Antigua, St. Kitts, Montserrat, St. Lucia, St. Vincent and Dominica. This is the little group sometimes called the outer seven, or the left out seven, now that the greater islands, Trinidad, Tobago and Jamaica have become independent states. Grenada has perhaps a special destiny in that it plans to become a part of the Trinidad and Tobago entity.

This collection of small islands is populated by less than three quarters of a million people. The land area is something like 1,300 square miles; but while the area is small, their problems are large: poor soil, shortage of water, lack of proper facilities, roads and airports, shortage of skilled labour, a crying need for capital in their effort to approach something like self-sufficiency, a pressing problem of overpopulation. Indeed, any economic study of these small islands demonstrates why the study of economics has often been described as a dismal science. Yet these small and beautiful islands could have a fairly bright future. There is tremendous opportunity in tourism, and it is no doubt as tourists that most Canadians know this part of the south. Fun in the sun often takes Canadians to this part of the world. A possibility of broadening their industrial base and diversifying their agricultural industry is of course to the forefront in the planning of the people of these islands.

It is so clear that such small communities with such difficult economic problems and with such a limited economic base must require substantial assistance from outside. From whence shall it come? The United Kingdom has done much and its program of development there is impressive. The United States has helped. Some private developments have brought benefit to the indigenous population although one does not always expect, nor is he disappointed when it does not happen, that business enterprises are necessarily geared to the improvement of the people who live in the area of the enterprise. But Canada comes, I think, into this picture and presents a splendid opportunity for this area. We have historic ties with this part of the country, especially we maritimers. In our days of glory, the days of the wooden ship, the iron men and the golden prosperity —long before the time of any of us, I must say, alas—we had close ties. Ships from Prince Edward Island and all parts of the maritimes carried goods to and from the West Indies. As early as 1855 efforts were made to establish a preferential trade agreement with these areas. This was thwarted by the British colonial office. This was in the days before Alexander Galt asserted our economic independence from our former mother country. In 1898 we had the first sugar agreement. In 1912, under the government of Robert Borden and under the auspices of that great maritimer Sir George Foster, we initiated our first trade agreement on a reciprocal basis. This was extended in 1920 and 1926. And so on over the years. I am not going to take the time of the house by going into the figures, Mr. Speaker, but there has developed a substantial trade between Canada, especially eastern Canada, and all the West Indies islands, including of course the islands to which this resolution directs our attention.

In 1962 our trade in exports to Barbados was something like $4½ million. That is a substantial sum. Barbados is, of course, a very small community. Our imports were $3,170,000. These figures are in Canadian dollars. There are some commodities which are of special

interest to us. Sugar has always been of interest, and molasses too. Maritimers grew healthy, strong, brilliant and brainy by eating bread on their molasses.

An hon. Member: Bread on molasses?

Mr. Macquarrie: I am glad, Mr. Speaker, that someone has noted the inversion there. Of course, we were so poor that it was the other way around; it was molasses on bread. Yesterday mention was made of the social graces, and I think part of the social graces is based upon another commodity which drew close together the maritimes and the West Indies. I have just noticed a news item in the Halifax *Chronicle-Herald*. It is a report on a businessman discussing trade, and he says:

"We don't import much into Nova Scotia from the West Indies—just rum and fruit juice with the emphasis decidedly on the rum", said one Halifax shipper.

I am sure this was not a matter of taste or preference, but just one of the economic facts of life as that man saw it. It is encouraging that we have seen in recent months —certainly since I had this motion placed on the order paper and hoped it would eventually be reached for discussion—a reawakening of Canadian interest in this matter. I think all hon. members received a very impressive publication from Mr. W. J. F. Kontak of St. Francis Xavier University, who has also written for maritime newspapers, on the result of his study on this part of the world. The Canadian Institute of International Affairs have issued a report of a most impressive study in this connection. A conference on commonwealth partners in the West Indies, sponsored by the institute and the University of New Brunswick was held last fall, in which participated prominent people from the West Indies islands. The study group of the Canadian Institute of International Affairs to meet in Charlottetown, as has been the case with all respectable national bodies this year, will take up the whole question of relations with the West Indies and the hemisphere generally. A week ago a most impressive group of people, the young Progressive Conservatives of Ontario, held a week end conference at McMaster University, where they brought together outstanding scholars, brilliant politicians and fine young people and discussed, among other things, Canada's relationship with this part of the world. If any hon. member of the house, of any party, would be interested in receiving some of the very valuable reference papers produced at this conference, I should be glad to make arrangements for their distribution.

There has been a development too of what one might call an altruistic concern. We Canadians with all our material blessings seem to look altruistically at this small community whose economic and political viability is somewhat questionable. There are a few brave souls who suggest that it would behoove Canada to offer the outer seven provincial status. A very able professor from the University of Toronto—this shows my ecumenical nature as a McGill man to quote a Torontonian—David Gauthier not long ago wrote in the Toronto *Telegram* for February 26, 1964:

The Caribbean islands are poor, and several of them are becoming poorer. Their natural resources are severely limited. Their populations are expanding rapidly—

Perhaps it's time to do more—to do something radical. Let us offer to accept the smaller islands, which still remain British colonies, as our 11th province.

Confederation would automatically confer two benefits on the Caribbean. First, a Caribbean province would qualify for the same equalization grants, the same federal assistance programs, which now assist the poorer provinces of Canada.

Second, the inhabitants of the Caribbean would have the right to emigrate to other parts of Canada, thus alleviating the pressure of population in the islands.

Then he goes on to discuss, as a good professor should, some of the reasons which might mitigate against such a course, and he ends up in this way:

The most effective criticism we could make of the racial policies of South Africa, or of southern whites in America, would be to invite a Negro community to become Canadian—

On the other hand, perhaps we might best strengthen ourselves by turning our attention to others. We might achieve a true unity by unitedly assuming a new responsibility.

I am inclined to think that Professor Gauthier's suggestion will not be immediately seized upon, but I think we should expect something more to be done. I think we should congratulate the government for such steps as it has taken to renew our contacts with this area and to improve our assistance programs in respect to this part of our hemisphere.

When we discussed the question back in 1958 the statement of the present Prime Minister (Mr. Pearson) on the matter was quoted by the mover of the resolution, and is to be found at page 2480 of *Hansard*, July 21, 1958:

Perhaps it would be worth considering whether we cannot tie that new part of the commonwealth, as it soon will become, more closely economically and financially to our own country, Canada, by exploring the possibility of free trade between the West Indies and Canada, or a freer trade area, and by tying up our two currencies which would encourage trade and transport between us.

Mr. Kontak, to whom I have referred, after spending a good deal of time in the West Indies came back and reported that the friendship one finds toward Canada in the Caribbean is unbelievable. "This friendship gives a feeling of both pride and embarrassment; pride because Canada has conducted her affairs in such a manner as to produce this feeling, and embarrassment because she has done so little compared to what she is capable of and can afford to do".

It is perhaps no longer common to expatiate on the glories of the commonwealth, yet I believe that the commonwealth still serves as a mighty force for good in the world, is a unique political experiment, and should remain a vital cornerstone in our foreign policy considerations. It is as a senior member of the commonwealth in this part of the world that Canada can assume a greater responsibility for the commonwealth. It is not easy to suggest what should be done. It is certainly not incumbent upon us to rush into the area we are speaking about and suggest how they can make their economy viable. It is not for us to say to them what form of government they should adopt and what should be our relationship to it. But it is, I think, incumbent upon us, and it would behoove all Canadians, to make readily available any financial aid or technical assistance, or a greater exchange of personnel and Canadian ability, to assist them. Because certainly we have that ability, Mr. Speaker.

Some of us were impressed and a bit shaken when at the University of New Brunswick conference last fall the very outspoken prime minister of Barbados laid down some pretty unpopular statements about our country's attitude toward his island and toward those islands near Barbados. He said that the Canadian government has failed miserably to recognize that they are partners in the commonwealth. According to the Fredericton *Gleaner* for October 26, 1963, Prime Minister Barrow said:

Canada, participating in the Colombo plan of aid for eastern countries which had made no contribution to the dominion, had not seen fit to do anything similar for the closer West Indies. It would be better for both Canada and the United States to help their friends than "fritter away taxpayers' money" in eastern communities.

That is very interesting and thoughtful, but pretty critical. He also said that while Canadian trade with the West Indies is increasing, the traffic is in one direction only; and he went on to say that the West Indies sorely needed investment capital. He went on to say this:

"Canadians arrive with tennis racquets and in Bermuda shorts, spend 17 to 21 days and return with a nice tan". He invited them to combine business and pleasure and make some contribution to the islands' economy.

So often, of course, closer economic ties either imply or involve closer political ties, and the outspoken prime minister did not hesitate to discuss the question of immigration. He spoke of the fact that the only people which our laws would allow into this country were the very types which his country needed most, namely those skilled personnel so essential to a growing, developing and diversified industry.

[*Translation*]

Mr. Pierre André Boutin (Dorchester): Mr. Speaker, I rise on a point of order. I should like to point out to you that there are only 19 members in the house. Now, there must be at least 20 members present so that the house may carry on its business. Since there is no quorum, I would ask you to kindly adjourn our discussions.

[*Text*]

The Acting Speaker (Mr. Batten): Order. The Chair will count the house.

A quorum is present. The hon. member for Queens (Mr. Macquarrie).

Mr. Macquarrie: Well, Mr. Speaker, I am happy to say I have concluded my remarks. Otherwise you might have lost your quorum.

Mr. R. N. Thompson (Red Deer): While I agree with your mathematics, Mr. Speaker, and we do have a quorum, I wish to say that I am ashamed there are not more members of the house present who should be interested in the very important subject brought up in the resolution before us.

I heartily agree with the hon. member from Queens (Mr. Macquarrie) who is responsible for this resolution and I appreciate his scholarly remarks with regard to the points he has made. I do not intend to attempt in any way to compete with him in dealing with the matter on the level he has, but I do speak from practical experience in this area. It so

happens I act in a consultant capacity for a small project which might be termed as commercial external aid. It is sponsored by a number of Canadian companies which operate in the West Indies and which feel their responsibility to the area is so great that they should put some of their money into a program to help this very area to which the resolution refers, that is, the Windward and Leeward islands. Thus I have an intimate experience in each of the islands referred to in this group, as well as experience in a wider sense with the entire West Indies area.

I believe we in Canada have a particular responsibility to do more than we are presently doing to assist these smaller territories in their multitude of problems. Few of us in Canada realize just what historic connection and background there is for us there. I have been interested in English Harbour on the island of Antigua and the ruins, now partially restored, of the Nelson dockyard. It was here Nelson based the administrative headquarters of the West Indies fleet and he sailed from this harbour when he left the area of the West Indies to take part in the battle of Trafalgar. I must commend the few Canadians and the larger number of West Indians who have taken the initiative in restoring this historic place. But this is only one example of the many interesting aspects of these islands; and if for no other reason than making them the natural refuge of Canadians seeking relief from the rigours of our northern climate, this area certainly has tremendous value.

The hon. member for Queens (Mr. Macquarrie) has just spoken about provincial status for the West Indies, for the proposed eastern Caribbean federation. I think this is a very worthy goal to which we may look at some time in the future. It involves, of course, most specifically the attitude of the people who inhabit these territories and it is my impression that this is not what they are looking for at the present time. The West Indies federation has collapsed, and with the lack of concern or active interest on the part of the colonial office toward these areas at the present time I think they are looking hopefully first of all to the development of their own federation. In fact if it were not for the critical situation which presently exists in British Guiana no doubt they would be much further along in their negotiations at the present time.

I agree entirely with the suggestion that free trade should first be established between Canada and these areas. I wonder why the hon. member for Queens (Mr. Macquarrie) did not include in his statement Trinidad, Tobago and Jamaica. While these independent countries have now made much more progress than the eastern Caribbean area, they are certainly a part of the larger picture of the West Indies, particularly that which is part of the commonwealth, though it also includes, of course, the French territories as well. I believe it would be an excellent step forward, something worth while and beneficial, if the government would consider the basis of this resolution and begin negotiations, with the intention of developing a free trade area or, at least, an area of much freer trade.

Many might ask: What is there in this Caribbean area other than tourism and sugar? From a trade aspect there is a tremendous opportunity for markets for many of the things we are so well equipped to supply. This applies to housing in particular. One of the greatest needs in each of these territories is housing. A few of the islands have large timber supplies available; others have none at all. Whether it is to utilize the raw materials available in the area and develop them for use in housing or whether it is to supply housing from this country, here is one of the greatest opportunities that we have. This includes industrial development; it even includes certain basic food items. I have assisted in the last few months in setting up one of the first milk reconstitution stations in the Leeward group, and there is a second one which has recently come into production. Milk is urgently needed in each of the territories. We have large supplies of milk powder and there is no reason why we should not be moving to assist these people in their efforts to provide adequate food supplies for their population.

I do not intend to prolong this debate but I should like to mention several other points, particularly one which has been referred to already. It relates to the positive side of things. The Leeward and Windward group definitely are within the British commonwealth. Here is an opportunity for us to show that we have not forgotten all that the British commonwealth represents to us, not only as far as the privilege and heritage we have is concerned but also as far as the responsibility we have to those members, and parts of it,

less favoured than ourselves. On the negative side there is another aspect. It is simply this: What will happen to these areas if Canada does not come in and share this responsibility? It is obvious that Britain regards this general area as being within the realm of Canadian or United States influence and that she is no longer in a position to spend large sums of money on it. Therefore the area is more or less at loose ends. Traditionally the connection has been with Canada. Through the shipping service prior to the war a close connection was built up and there is still a tremendous wealth of good will toward Canada. Many of their citizens have come to study in Canada and many of our educators have gone down there to assist them.

This is being carried on today, as a team of Canadians in the medical and educational field continues to work in the general area. But if we do not continue and strengthen these contacts, then someone else will come into the vacuum. It may be the United States. More likely it will be some of those cross currents which today are so evident in the area and it will be a tragedy if those cross currents should begin to take hold because we neglect our responsibility there. It is well known by all of us that today there is a communist government in Cuba, in the West Indies area, and the effect of the ideological struggle which goes on between those who respect freedom as the basis on which society should be built, and those who belong to the dictatorial or the totalitarian type of government, threatens that area. The area is only going to be saved as we in Canada move in for personal reasons, on the one hand, because there is a tremendous opportunity there, and for a definite moral reason, on the other hand. I am convinced we have a responsibility there. They are just on our doorstep and regard us with good will. If we do not move in, somebody else is going to do so. Thus I support the resolution, and I trust that it will be supported in every part of the house because I think this is something that is not only of national interest, but of national concern to all Canadians who look beyond our own personal problems within Canada.

Mr. John Mullally (Kings): Mr. Speaker, I am very happy to participate in the discussion initiated by my friend and fellow islander, the hon. member for Queens (Mr. Macquarrie). I must say that I certainly share his concern for those other islanders who live some miles to the south of us. First of all, I commend the hon. member for Queens (Mr. Macquarrie) for bringing this important matter to the attention of the house and initiating the discussion we are having today. I assure him that I support very strongly the opinion he has expressed. The first time I spoke in the house during the first session of this parliament I said, as found on page 427 of *Hansard* of May 29, 1963:

> The geographically natural trading routes for the Atlantic provinces lead us to the eastern seaboard of the United States, the Caribbean area and, indeed, in the broadest view to the entire European Atlantic community. I believe, therefore, that more efforts should be made, first of all, to establish a greater volume of trade between the Atlantic provinces and the West Indies and other areas in the Caribbean.

This is still my view. I strongly endorse any efforts directed toward the establishment of more and freer trade between our country and the West Indies. Anything done to expand our trade in this regard will be of benefit to our country and of parallel or even greater benefit to the West Indies.

We have certain advantages which should contribute to and assist trading between the two areas. First of all, and this applies particularly to the Atlantic area of Canada, we can take advantage of much cheaper water transportation between our Canadian ports and ports in the Caribbean. Second, we have been traditional trading partners for many years and we have built up a mutual respect for one another which should provide an excellent framework on which to build or expand our future trade. As the hon. member for Queens (Mr. Macquarrie) has mentioned, many years ago we began trading with this area. For over 200 years our country has been engaged in trade with the Caribbean area.

Third, and I think this is a very important factor, the economy of our country and that of the West Indies is complementary, and as such there is a sound basis for commercial relations between the two areas. I might also add that our climates are complementary and this, of course, has contributed to a very great extent to the development of the tourist business in the West Indies which has been of a very considerable benefit to that area.

I mentioned that our economies are complementary. In this respect the principal products of the Caribbean area, such as sugar, molasses, cocoa and other foodstuffs, are all products which our country has to import. On the other hand, the main requirements of the Caribbean area are products which we have in abundance such as wheat flour, fish,

meat, lumber, newsprint and other consumer goods.

Of course, Mr. Speaker, free trade of this nature requires the consent and co-operation of both parties. I would urge our government to give high priority and the most active consideration to the proposal to establish a free trade area embracing Canada and the West Indies. However, it does not seem that government officials in the West Indies are as favourably disposed to this proposition as we are. From what I have been able to learn it seems that their leaders have been reluctant to commit themselves to such a trading arrangement. This is understandable from their point of view because tariff duties are a very important source of revenue for their governments. Furthermore, the balance of trade between the two areas is very much in their favour.

I am slightly disappointed, Mr. Speaker, that the hon. member has restricted the terms of his motion in these words: "Those West Indies islands comprising the proposed eastern Caribbean federation". The hon. member mentioned that the proposed federation includes the Leeward islands, the Windward islands and Barbados. This does not include, of course, as the hon. member for Red Deer (Mr. Thompson) has mentioned, Jamaica, Trinidad and Tobago, Bermuda, the Bahamas, British Guiana or British Honduras.

In my calculations I included Grenada, which I understand is leaning toward union with Trinidad and Tobago but is still maintaining an observer status in the negotiations between other members of the proposed federation. I tabulated the area of the proposed federation and arrived at a figure of 1,196 square miles, which is roughly 10 per cent of the total area of the West Indies. On a population basis I have also arrived at certain figures. They are not up to date but they may be the latest that are available. The figure I have arrived at is a population of 601,127 out of a total population of 3½ million, or about 16 per cent. So the area under consideration is really a small portion of the total area of the West Indies. As the hon. member mentioned, the federation proposed in 1958 was formally dissolved in 1962, but I had hoped that he would include in his resolution the other areas in the Caribbean.

To come back to the more restrictive sense of the resolution, I would point out that there are a few considerations which have to be taken into account in any discussion of a free trade area between Canada and the proposed federation. I will mention three of them. First of all, since the federation is not yet in existence or operation as an economic unit or as a governmental unit, it is probably not in a position at this time to enter into negotiations or to address itself to or even consider very seriously trading relations with Canada or other countries. If and when this proposal is accepted and a federation is formed, this area will then be in a much better position to carry on active negotiations with our country.

Second, as I mentioned earlier and for the reasons I have given, recent indications are that the West Indians themselves are not very enthusiastic about entering into a free trade area or a customs union at this time. They are actively engaged in promoting economic growth and industrial expansion and therefore they are preoccupied with the idea of using tariffs as an instrument for the development of new industries under their new legislation.

Third, in considering a free trade area with the proposed federation we would have to have regard to the present trading relations between Canada and the other countries of the West Indies, not only commonwealth countries but non-commonwealth countries as well. Any arrangements which we might eventually make with the proposed federation, if and when it does come into existence, would have to take into consideration all the arrangements we have at present with the other parts of the West Indies.

It might be useful, Mr. Speaker, to consider for a moment the volume of our trade and the pattern of our trade with the West Indies or the Caribbean area in general. In 1962, Canada exported to the Leeward and Windward islands, who are components of the proposed federation, an amount which equalled 5.9 per cent of our total trade with the Caribbean area. Imports into Canada from the areas comprising the proposed federation represented only 1.4 per cent of Canada's total imports from the area. In 1962, exports to the members of the proposed federation accounted for only 16.2 per cent of our exports to the commonwealth Caribbean, and only 5.9 per cent of Canada's imports from the commonwealth Caribbean came from the Leeward and Windward islands and Barbados.

I have a table outlining Canada's trade with the Caribbean and showing Canada's exports to the Caribbean, to the commonwealth Caribbean and to the proposed Carib-

bean federation. If I could have permission to have the table included as part of my remarks, I could move along much faster and allow someone else to participate in this discussion.

The Acting Speaker (Mr. Batten): Does the house give consent to the incorporation of this table in the remarks of the hon. gentleman?

Some hon. Members: Agreed.

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

Canadian Trade with the Caribbean

Exports

	1958	1963
	$ million	
(1) Canadian exports to the Caribbean	155.2	193.2
(2) Canadian exports to the commonwealth Caribbean	46.1	68.2
Of which to the proposed eastern Caribbean federation	8.5	12.1=6.2%

(3) Principal exports to the commonwealth Caribbean: wheat flour, fish, meats, motor vehicles and parts, lumber, newsprint and cotton fabrics.

Imports

	1958	1963
(1) Canadian imports from the Caribbean	335.5	347.5
(2) Canadian imports from the commonwealth Caribbean	64.4	83.1
Of which from the proposed eastern Caribbean federation	5.5	4.9=1.3%

(3) Principal imports from the commonwealth Caribbean: bauxite, alumina, raw sugar, molasses, crude petroleum, fuel oils, rum, cocoa butter and cocoa beans.

Of which the eastern Caribbean federation supplied: sugar, molasses and rum.

Even if free trade is not possible, if free trade cannot be established between our country and the West Indies or the proposed federation, I think we should make every effort, should give every attention, to the development of greater trade between Canada and the West Indies generally. Other members who have preceded me in this discussion have spent considerable time speaking of the great need for Canada's participation in, and more generous assistance of, the economic expansion of this area. I feel we should make a determined effort to develop the economy of these islands. We should give every assistance we can to raising the standards of living and providing more sources of employment for the people in this part of the western hemisphere. We should also take a more active part in the substantial movement towards assisting in the establishment of new industries in the West Indies and in the area of the proposed federation.

I should like to close my remarks by saying that I strongly support the proposition put forward by the hon. member for Queens (Mr. Macquarrie). Although I feel it has been restricted somewhat by limiting it to a certain area, I think the hon. member is to be commended for bringing this important matter to the attention of the house. I am sure he has the support of everybody on this side of the house.

Mr. Thomas M. Bell (Saint John-Albert): Mr. Speaker, it is a pleasure to support the motion put forward by the hon. member for Queens (Mr. Macquarrie) suggesting free trade between Canada and certain of the West Indies islands. This has been a favourite subject of many of us on both sides of the house for some time. I have spoken about it on numerous occasions both inside and outside this house. I understand there are some other members who want to take part in the debate, so I am going to be brief.

We were encouraged by an answer to a question given by the minister of external affairs the other day, as recorded on page 3402 of *Hansard*. I asked whether or not consideration was being given by this government to participating in a large scale, top level conference that was suggested by the prime minister of Trinidad to be held later this year concerning closer ties with Canada. This conference would, of course, encompass the matter of trade. While the minister of external affairs was quite loquacious, there was an element of hope in his answer that the government would be moving on this matter. I think it is a timely topic and something should be done about it.

There are compelling reasons and the first is the break-up of the federation. Then, too, there should be consideration given to the inroads of communism in the Caribbean area generally. I only want to put on the record two of the main reasons for my support of this resolution. First, there is the great benefit that would accrue to the maritimes, which is in such close proximity to the West Indies. This whole section of Canada, I mean the maritimes, is in a period of transformation and is searching for new industries, new communications. We could orient these plans with the West Indies. I think that Halifax and Saint John, which are facing many problems because of the movement inland of navigation as a result of the seaway, would benefit greatly from any expansion of relations with the West Indies.

Then, there is the undisputed fact that the West Indies themselves are counting on us for assistance. There may be disagreement as to how this assistance would be given, but certainly that statement is true. Those of us who spent time in the West Indies on parliamentary business realize that this is true. I see the Clerk Assistant following this debate closely, and I was on one such conference with him. We certainly got to know the problems of that area. We who have been on these conferences realize that transportation difficulties and the lack of natural resources have caused these people to turn to their wealthy northern commonwealth friends here in Canada, whom they value most highly, for assistance. There is the pertinent fact too that with communist inroads in the Caribbean, the benefits would be far reaching in the ideological battle that is taking place.

I do feel that I can answer one contention that has been put forward. I want to say that the remarks that have been made by the previous speakers have been well informed and thoughtful and I certainly could not improve in any way on the details. However, I believe the main reason the proposer of this motion has merely suggested particular islands in the West Indies and excluded Trinidad, Tobago and Jamaica, is that the two larger islands I have mentioned feel they are self-sufficient. They have indicated they want to go ahead on their own. While we can assist them, they may not be so interested in free trade relations. The smaller islands are in extreme difficulties and we would be assisting them greatly.

In closing, I welcome this opportunity of supporting the motion put forward by the hon. member for Queens (Mr. Macquarrie) in such a statesmanlike way. I will not compliment him, because last night during the debate on Sir John A. Macdonald he was complimented so much I wondered whether they were talking about Sir John A. or the hon. member for Queens (Mr. Macquarrie). Nevertheless, the motion is timely. I hope the government will move on this matter in some way, and help these islands in the West Indies in the way that has been suggested here.

Mr. Gerald A. Regan (Halifax): Mr. Speaker, I think there can be no question but that the hon. member for Queens (Mr. Macquarrie) has done a fine service in bringing this matter to the attention of the house and of the government.

The eastern portion of the British West Indies that would constitute the proposed new federation are about as lovely a group of islands as one could imagine, a delightful land of sun and sand, and much more. Their products have been mentioned by previous speakers, and I think this is a land with which we should develop much closer ties for quite a number of reasons, some of which have also been mentioned this afternoon.

I am not at all sure that free trade with this area would begin to solve the problems that exist as regards its economy and as regards our relations with the area. The problems are much more complex, but we must make moves towards closer relations with the area.

Last month I had the honour to represent the Canadian branch of the commonwealth parliamentary association at a parliamentary course in London, and during my time in England I had the opportunity to meet daily with representatives at that course from Dominica, Montserrat, and the Virgin islands, as well as some of the other areas in the West Indies. I was reminded by the remark of the hon. member for Queens (Mr. Macquarrie) concerning the quality of the young men from those areas he had known in maritime universities, and I am quick to say I seldom had the opportunity to spend time with more delightful people or with men who were more interested in the ultimate welfare of their areas.

I would also associate myself with the remarks of the hon. member for Red Deer (Mr. Thompson) concerning the British commonwealth. These islands are not economically able to stand alone as yet. It may be

some time before they will be able to do so, but because of the heavy nature of Great Britain's commitments across the world in bringing dependencies to the point where they are ready for independence; because England has been reluctant, and rightly so, to cast off many of these heavy responsibilities before the areas concerned are ready for stable independence, and because England has been unable to devote as much time and money to the development of areas such as the eastern Caribbean as would perhaps be necessary, I would reiterate what I had occasion to say in England. I said that if we in Canada are to believe at all in a future role for the British commonwealth, and in our participation in the commonwealth, if we see this commonwealth as being an organization which, with the growth of African and Asian countries toward prosperity, can be a major force economically and politically in the world, then there can be no better way for us to participate in the development of the commonwealth than by being willing to take on some of the responsibilities for the development of the West Indies area, an area with which we have had long and close relations.

The port of Halifax has long been the central point for shipments to and from the West Indies. I am told by the secretary of the port of Halifax commission, Ray Marsh, whom I see in the gallery at the moment and who has always shown great interest in the West Indies area, that the port of Halifax probably handles more tonnage to the West Indies in general than any other port in Canada, and possibly more than any other port in North America.

We have seen a lot of people coming back and forth between those islands and Halifax over the years. There is an awareness in the maritime provinces, that is not common across Canada, of the importance of the West Indies area. If the West Indian islands were not developed properly under the guidance of other portions of the British commonwealth, they could well end up in communist hands, because geographically they are very near to Cuba, and if that happened it would not be any great help to the security of North America.

We have a very vital interest in the West Indian area. These islands have had a British connection. Their citizens want to remain within the commonwealth, and surely it is Canada which can show the lead and help Britain in keeping them inside the commonwealth as they develop to independence. I am not an economist, but I have suggested upon another occasion that there might be considerable merit in having at least a portion of the area proposed, or perhaps the entire eastern Caribbean federation, brought into the area of the Canadian dollar and have them eventually leave the sterling block. At present we send many tourists south in the wintertime to escape the rigours of our climate, and whether they go to Florida or the West Indies this constitutes a drain on our international exchange payments. If the West Indies were operating on Canadian dollars this would be a great advantage to us as regards that drain.

We in the Halifax and Nova Scotia area would like to see the development of direct flights by T.C.A. to improve communications between the maritime area and Bermuda, the Bahamas and the southern area of the British West Indies. I hope T.C.A. will be able to do this in the not too distant future.

Mr. Caouette: Air Canada.

Mr. Regan: Excuse me, Air Canada; and I may say I think this is a much more suitable name since the air line operates more than trans-Canada now. But returning to the subject, while an air line connection in itself does not do too much for developing trade, nevertheless contacts between businessmen and citizens in general normally result in an increase in trade. In the West Indies area there is a great friendship for Canada. The island of St. Kitts, in particular, has many citizens who for a long time have wished for very close ties with Canada. The same is true of Dominica, the Virgin islands and other areas.

While this motion cannot be fully discussed in the short time left today, nevertheless I hope the government will recognize that the hon. member for Queens (Mr. Macquarrie) has done a service in bringing this matter to the attention of the house. I hope it will be a signal for increased attention to the development of the West Indies area as regards relations, economical and cultural, between that area and Canada in the years ahead. I have some more remarks I would like to make on this subject but it appears to me, Mr. Speaker, that the hour of six o'clock has arrived and I shall have to wait until another occasion.

The Acting Speaker (Mr. Batten): The hour for the consideration of private members' business has expired.

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

HOUSE OF COMMONS

Thursday, June 4, 1964

The house met at 2.30 p.m.

PRIVILEGE

MR. DOUGLAS—PRESS REPORT OF SPEECH BY LEADER OF THE OPPOSITION

Mr. T. C. Douglas (Burnaby-Coquitlam): Mr. Speaker, I rise on a question of privilege which affects all members of the house. It has to do with a Canadian Press dispatch of this morning regarding a meeting which was held in the Toronto area last night and addressed by the right hon. Leader of the Opposition. It says in part:

> Noting that Prime Minister Pearson had threatened an election if parliamentary business does not progress, Mr. Diefenbaker suggested this was a ruse.
>
> "The Prime Minister knows he stands in no danger from his allies (the Social Credit, Creditiste and New Democratic parties)...because of the increase in (M.P.'s) indemnity to $18,000 a year".

Some hon. Members: Shame.

Mr. Douglas: The report continues:

> "It had a wonderful effect on third party support".

Some hon. Members: Hear, hear.

Mr. Douglas: It continues:

> "On the flag vote", he said, "the attitude would be, not that I love the red ensign less, but $18,000 more".

Mr. Pigeon: The same old bunch.

Mr. Douglas: Mr. Speaker, the rules of this house assume that every member has a right to take whatever position he or she wishes on any question on the basis that they are acting in accordance with their convictions and their conscience, and it does not lie within the power of any member to impute motives to other members or to insinuate that they are acting from ulterior or sinister motives. I suggest that this statement is a reflection not only on the three parties which sit to the left of the official opposition but impugns the motives of all members of this house who may disagree about the design of the proposed flag. The great bulk of the Conservative members in this house, with the exception of a small handful, voted for an increase in the sessional indemnity, and the implication would be that any of them who vote for a design other than the red ensign are also doing so out of considerations based upon the sessional indemnity.

I do not raise this on any basis of personal resentment, Mr. Speaker. I say this is a reflection on the integrity of all members of the house. What is to my mind even worse, it helps to feed the cheap cynicism that is all too prevalent with reference to parliament and its membership.

I recognize that the right hon. Leader of the Opposition may have been misquoted, and if so I hope he will make that clear to the house. Or it may be that he spoke in the heat of a campaign meeting and that he will want to retract his statement. All of us have had the experience of being carried away by the exuberance of our own eloquence and having said things that we later regretted. If that is true, then I hope the Leader of the Opposition will make a retraction.

The right hon. gentleman is an old and experienced parliamentarian. He is a former distinguished prime minister of this country, and no one knows better than he that he cannot impugn the motives of other members. He may call in question their judgment, but he cannot reflect on their integrity. I ask him to give this house either an explanation or an apology.

Right Hon. J. G. Diefenbaker (Leader of the Opposition): Mr. Speaker, in so far as the statement made by the hon. member is concerned, may I say that there were no motives imputed whatsoever or in any way. I have consistently taken a stand against the increase that was voted. I made that clear again last evening when I spoke. If that is imputing motives to hon. members of this house I do not know what motives are. I took a strong and very definite stand against the circumstances under which the increase took place. I took the stand that no such increase should be made effective by members of the house voting for it. I pointed out at the time the dangers inherent in that course. I am unchanged in that view and will remain so, and any suggestion on the part of

the hon. member that motives are imputed is entirely without foundation.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, I rise on a point of order. Citation 154, paragraph 6, of Beauchesne, fourth edition, is very clear. It reads as follows:

> The words "purchased by legislation" applied to a member of the house are unparliamentary. An appeal was taken from this decision of Speaker Lemieux who was sustained by a vote of 87 to 71.

The reference given for that citation takes one to February 8, 1926, when a Conservative member of that day, Mr. Sutherland of South Oxford, referred to the then member of Winnipeg North Centre, Mr. Woodsworth, and his support of certain things the government of that day was bringing in by using the phrase "purchased by legislation". The clear implication of the words used by Mr. Sutherland was that Mr. Woodsworth and others associated with him were voting in support of things the government was bringing in because they had got certain things from the government of that day.

Mr. Woodsworth raised a point of order and the matter was debated at some length. Mr. Speaker Lemieux ruled very clearly that to say that a member's vote was purchased by legislation was out of order, and he called upon the member to apologize and withdraw. The ruling by Mr. Speaker Lemieux was appealed by Mr. Meighen and the ruling was sustained by a vote of 87 to 71. Mr. Speaker Lemieux then called on Mr. Sutherland to withdraw the remark he had made.

It took debate extending over a couple of pages of *Hansard* for this to be achieved but I submit, Mr. Speaker, that the precedent is a clear one; and that a former member having been told by the Speaker that he must withdraw any suggestion that a member's support had been purchased by legislation applies today, so you, sir, should rule that the Leader of the Opposition should withdraw or apologize for the statement he has made about members of this house.

[*Translation*]

Mr. Réal Caouette (Villeneuve): Mr. Speaker, before you give your decision on the point of order just raised by the hon. member for Winnipeg North Centre (Mr. Knowles), I should like to say a few words on the question of privilege raised by the hon. member for Burnaby-Coquitlam (Mr. Douglas).

[Mr. Diefenbaker.]

If the Leader of the Opposition (Mr. Diefenbaker) really did make the statement attributed to him concerning the members of the three minority groups in this house, to the effect that the indemnity increase voted last year is one reason why those three minority parties vote with the government to maintain the government in office, in order to avoid a general election, I want to say that I dissociate myself entirely from that statement of the Leader of the Opposition.

In view of the important post he holds at the present time, I am of the opinion that he made last night's statement without thinking or through lack of competence or honesty.

As far as we, in this corner of the house, are concerned, we voted more often against the government than for it, political partisanship aside. We voted according to our conscience, in the interest of the Canadian people. We voted, at times, with the government, but when it came to voting against it, we did not shirk our responsibility.

The Leader of the Opposition is free to make a spectacle of himself in Toronto, but he certainly has no right to do so at the expense of the three groups which sit to his left.

Furthermore, I wish to point out to the Leader of the Opposition that some of his own followers in the house do not share his views and that they are the first ones to condemn such boasting and say that they personally disagree with such statements as he made yesterday in Toronto.

Mr. Guy Marcoux (Quebec-Montmorency): Mr. Speaker, just a few words to say that I am in complete agreement with the remarks made by members of the smaller opposition parties.

Personally, I introduced in the house a bill affording all members the opportunity to refuse their indemnity raise, if they so wished.

I can therefore say, on behalf of the members of my party and myself, that the indemnity raise never had any bearing on any decision we were called upon to make in the past. If there are some who are opposed to the bill, if it is ever introduced, I would ask them to vote against it.

[*Text*]

Mr. Colin Cameron (Nanaimo-Cowichan-The Islands): I am rising on a point of personal privilege to say that I do not propose to sit quietly under a slanderous lie stated by any preposterous mountebank who will seize upon anything in his desperation; and that

if a case of this kind occurs again outside the house, I shall take the matter to the courts myself.

Mr. G. H. Aiken (Parry Sound-Muskoka): Mr. Speaker, in connection with this matter that has arisen, I think the house must first look at the question that is before it. This is not an allegation concerning a statement made in the house, and the quotation which the hon. member for Winnipeg North Centre has read, and the various authorities I have been able to look up in the very few minutes we have had, refer only to statements made in the house on which questions of privilege arise.

The hon. member who raised the question stated that he was merely quoting from press reports. I suspect, Mr. Speaker, that is actually what we are now attempting to discuss, and it is very difficult if not impossible to discuss a matter which is subject only to press reports and which has been raised on press reports. If it had been a statement made in the house there would be a question of privilege which could be raised.

Some hon. Members: Deny it.

Mr. Aiken: I do not know what all the heat is being raised about on my left. Surely we can discuss this matter in some sensible manner. The right hon. Leader of the Opposition stated that no motives were imputed in the statement he made last night and that no motives were imputed here in the house. I do not think we can take up this question of privilege on the information that is before us at this time.

Mr. Speaker: I do not think it is unfair to say that the Chair does appreciate the position it is in at the moment. It is a very delicate one, but nevertheless the Chair has its duty to perform.

I would like to point out that if hon. members will refer to page 133 of May's Parliamentary Practice, sixteenth edition and edited by Sir Gilbert Campion, they will find that:

> Alleged breaches of privileges or contempts committed out of the house or in the precincts of the house but not in its actual view may be brought to the notice of the house (1) by a complaint from a member—

—and various other examples are given; by communications, etc. Therefore I do think the hon. member is right in bringing this to the attention of the house.

While it is not exactly on the point may I refer to citation 134 of Beauchesne's parliamentary rules, fourth edition, paragraph 2:

> In the House of Commons a member will not be permitted by the Speaker to indulge in any reflections on the house itself as a political institution; or to impute to any member or members unworthy motives for their actions in a particular case; or to use any profane or indecent language; or to question the acknowledged and undoubted powers of the house; or to reflect upon, argue against or in any manner call in question the past acts and proceedings of the house, or to speak in abusive and disrespectful terms of an act of parliament.

This is not precisely on the point but it does seem to me to give me general directions. I have obtained a copy of the words which I understand were used. They are in a quotation published in this afternoon's Ottawa *Journal* also, and if they are as stated it does seem to me that the right hon. member, who must take his responsibility, of course, has gone too far.

This afternoon the right hon. member mentioned the fact that he was against a certain pay increase. Well, that is his privilege, to be for or against; but we are not discussing whether he was for or against the pay increase. We are discussing the words which were used, and the words in the quotation which I have before me are:

> "not that I love the red ensign less, but $18,000 more."

—and these are applied to three parties in this house. Further the quotation reads:

> —the Prime Minister knows he stands in no danger from "his allies"—the Social Credit, Creditiste and New Democratic parties—because the government voted M.P.s a pay increase to $18,000 a year. "It has a wonderful effect on third party support."

Some hon. Members: Hear, hear.

Mr. Speaker: Order, please. I understand, as do all hon. members, that at political meetings emotions run sometimes cold, sometimes hot and sometimes too hot. Statements are made on occasion in the enthusiasm of the moment which carry the orator or speaker or guest of honour along, and he is sometimes carried away. But if those words were used I must come to the conclusion that they are very serious words if they are to be applied to every member of the house. They affect every member of the house, and in the circumstances I am going to make a personal appeal to the right hon. the Leader of the Opposition to withdraw those words or take other steps which will amount to a withdrawal or an apology to the house. I appeal to him to help us out of a very difficult situation at the moment.

Question of Privilege

Mr. Diefenbaker: I have always been a House of Commons man, and I made it clear there was no imputation. Your Honour still believes there was. That being so, following your ruling as always, I withdraw.

Some hon. Members: Hear, hear.

[*Later:*]

MR. NIELSEN—REPORTED STATEMENT BY PRIME MINISTER

On the orders of the day:

Mr. Erik Nielsen (Yukon): Mr. Speaker, I rise on a question of privilege. My question of privilege comes a little late because I did not have the material before me when the question of privilege was raised by the leader of the New Democratic party. It is based on the same ground, sir, as that raised by the leader of the N.D.P. and supported by the hon. member for Winnipeg South Centre.

Mr. Churchill: No, not "south".

Mr. Nielsen: I am sorry; "north centre".

Mr. Churchill: On a point of order, Mr. Speaker, I do not want to be confused at any moment with the hon. member for Winnipeg North Centre (Mr. Knowles).

Mr. Knowles: Hear, hear.

Mr. Nielsen: Neither, sir, would I want to ever confuse the hon. member for Winnipeg South Centre with the constitutional conscience of the House of Commons. The question of privilege I raise arises out of statements made by the Prime Minister to the Liberal council at a meeting he attended the day before yesterday. I have before me the Ottawa *Citizen* of Wednesday, June 3, where the words that were used by the Prime Minister are set forth in quotation marks on the first page. This is what was said by the Prime Minister, according to this newspaper report:

> —"if the public's interest is made secondary to partisan tactics—no doubt by filibuster and by blocking public business, by politicking and polemics".

Further on it says:

> "Today there is day after day of repetition and obstructing debate and raising of useless questions of order and privilege"—

An hon. Member: This is an example of a useless question of privilege.

Mr. Nielsen: I hear an hon. member say "This is an example of a useless question of privilege".

[Mr. Speaker.]

Some hon. Members: Hear, hear.

Mr. Nielsen: I am sure there are many who share my view that the question raised a moment ago has the same basis of privilege as this one, because what the Prime Minister said to that meeting of the Liberal council imputed irresponsible motives to every member of this house.

Some hon. Members: Hear, hear.

Mr. Nielsen: No member of this house, I submit to you, sir, let alone the Prime Minister, based on the precedent you yourself have established, can impute irresponsible motives to any member of this house. It seems to me, on the basis of the precedent you yourself have just set, sir, that the Prime Minister should have at least that much grace and that much understanding of the rules of the house as was exhibited by the leader of the official opposition, and should rise in his place now and withdraw the remarks he made, or assure this house that there was no imputation of motive, as did the leader of the official opposition; and he should inform the country accurately as to the rights of all members to exercise their duties. I appeal to you, sir—

Mr. Speaker: Order. Is the hon. member concluding, because I think I get the drift of his argument?

Some hon. Members: Oh, oh.

Mr. Nielsen: I appeal to you, sir, to treat this question of privilege with the same degree of seriousness with which you treated the question of privilege that was raised a moment ago.

Some hon. Members: Oh, oh.

Mr. Nielsen: Perhaps hon. members opposite will cease their catcalling and allow me to make my closing appeal to you, sir, to make your decision on the basis of the precedent which has just been set in this house. The Prime Minister should be called upon to withdraw the imputations that he left, not only at this meeting of the Liberal council but as well in the minds of Canadians all across this country.

Some hon. Members: Hear, hear.

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, I congratulate the hon. member for his gallant diversionary activity. I am glad to confirm the words he has quoted, and

I ask you, Mr. Speaker, whether any question of privilege is involved.

Some hon. Members: Oh, oh.

An hon. Member: Arrogance.

Mr. Speaker: Order. For the second time today I have to reach a decision on the question of whether there is a question of privilege. I may say, without going into a long harangue, that in the first case I did see a question of privilege; in the second case, I do not.

Hon. Michael Starr (Ontario): Mr. Speaker, I rise on a point of order. I think the Chair should prepare itself in the same way as it prepared itself for the former question of privilege, and should not try to decide this matter and give an off the cuff decision such as has just been given.

Mr. Speaker: Order, please. It seems to me that the argument the Chair used to reach the conclusion in the second case is very simple. If we are to have no political commentary at all we might as well fold up and go home.

Some hon. Members: Oh, oh.

Mr. Speaker: Order, please. There is quite a difference between making a political speech and charging hon. members with certain activities which on the face of it are just not so. That is the difference. I do not want to overstress this matter, but it should be self evident to all hon. members, and I am sure it is.

Some hon. Members: No.

Mr. Speaker: I would urge the hon. member for Yukon not to continue along this line. I do not see where it does the slightest good. If it were a question of privilege, yes; but this is an argumentative statement, and I do not think anyone has been hurt by the decision rendered in the second case.

Mr. Nielsen: Mr. Speaker, it was not my intention to make a substantive motion with respect to this question of privilege, which I submit should have been the case with the last question of privilege that was dealt with, but I suggest to Your Honour—of course I bow to your ruling—that perhaps it would have assisted Your Honour had you read the words that I quoted.

Mr. Starr: Yes, to prepare yourself.

SHIPPING

LAKE HURON—SUPPLEMENTARY ESTIMATES TO PROVIDE FOR ADDITIONAL DREDGING

Hon. J. P. Deschatelets (Minister of Public Works): There have been many questions recently about the problem of water levels in the great lakes, and the government has indicated the seriousness with which it views this problem. I am now in a position to advise the house that as a result of surveys completed to date I will be including in the supplementary estimates, to be presented shortly, provisions for dredging at some of the main commercial harbours and channels in lake Huron.

Major projects will be undertaken at Collingwood, Owen Sound and Midland. In addition it is proposed to proceed with dredging at fishing harbours at Kincardine, Saugeen river, Bayfield, Stokes Bay, Port Elgin and Oliphant. We are continuing our surveys at other locations, and these surveys may well produce additional areas for increased operations in the near future.

To this end I am also proposing in the supplementary estimates some increase in our general dredging allotment. I hope hon. members will appreciate that we do not look upon this as a final solution to the water levels, but it is emergency action we feel justified in taking in order to ensure the continuity of navigation in the main channels.

This dredging in the lake Huron area is over and above our original dredging program in such areas as Grand Bend, Goderich, Howdenvale and Wiarton. The government is conscious of the importance of this emergency program and it will be given high priority.

Mr. G. H. Aiken (Parry Sound-Muskoka): It is certainly a matter for satisfaction that the government has finally recognized and come to grips with the very serious low water problem. The minister mentioned a number of places where emergency work is being done and I am sure, as he has stated, that there are still a number of others which must be investigated and assisted. However, we appreciate the statement of the minister as evidence of a first timid step toward meeting the emergency.

An hon. Member: Oh, oh.

Mr. Aiken: I repeat, a first timid step. I say this because there are many, many locations which urgently need assistance, and they are

not included in the list given by the minister. I understood him to say more were being considered. I wish the parliamentary secretary would not become so annoyed about my statement.

There is still another problem in the area, and it concerns the plight of the smaller private operators who have suffered severely. A week ago today I made a suggestion to the minister regarding assistance in the reconstruction of water access facilities on behalf of certain of these people. It is necessary to keep these people in business, not only in their own interests but also in the interests of the highly concentrated tourist business in the Georgian bay area. I hope the minister has recovered from the surprise I gave him last week without notice of this proposal, and I hope the cabinet is giving some consideration not only to providing additional public facilities but to assisting private businesses.

CRIMINAL CODE

AMENDMENT TO MAKE WIRE TAPPING CRIMINAL OFFENCE

Mr. L. T. Pennell (Brant-Haldimand) moved for leave to introduce Bill No. C-103, to amend the Criminal Code (wire tapping, etc.)

Some hon. Members: Explain.

Mr. Pennell: Mr. Speaker, the purpose of this bill is to make the wire tapping of telephone communications an offence under the Criminal Code, except in the case of law enforcement officers acting pursuant to an order of a judge of a superior court of criminal jurisdiction.

Motion agreed to and bill read the first time.

PRIVILEGE

MR. CAOUETTE—PAYMENT OF TELEPHONE BILLS OF MEMBERS

On the orders of the day:

[*Translation*]

Mr. Réal Caouette (Villeneuve): Mr. Speaker, I rise on a question of privilege concerning all hon. members and which, I believe, has been drawn to the attention of everyone.

I refer to a piece of legislation passed in August last year, namely Bill No. C-91 which provides in section 4:

> The purpose of this amendment is to provide that each member of the Senate and House of Commons will be allowed such actual moving or transportation and travelling expenses between his place of residence and Ottawa and such actual telecommunication expenses while in Ottawa as the respective houses may prescribe for their members.

Here is my question of privilege. For some time now we have been receiving calls from the Bell Telephone Company asking us to pay certain bills. Now, according to the act which was passed and which is retroactive to April 8, 1963, the internal administration of the House of Commons should have paid for those telephone calls and those telecommunication charges from our ridings.

I want to raise this matter so that we know where we stand in the future.

[*Text*]

Mr. Speaker: The question raised by the hon. member is a very important one, and has been under consideration and discussion for some time. However, if I understand the act correctly it authorizes or instructs, if I may put it that way, the internal economy commissioners to determine the time, place and conditions of any payments which may or may not be made. Up to the present time the commissioners have not decided that long distance telephone calls should be paid for, and until that decision has been reached by the commissioners it is not legal for the government to pay such accounts. Consequently the accounts remain the personal debt and charge of the individual member concerned for which the government is not responsible.

Now, I do not say that the question should not be studied carefully again. It is under constant study, but until a decision has been reached the legal position is that members are responsible for their own long distance telephone calls.

[*Translation*]

Mr. Gilles Grégoire (Lapointe): Mr. Speaker, if you will permit me I would have a remark to make on this subject.

Clause 1 of the bill provides that it will be retroactive to April 8, 1963. According to clause 1, retroactivity applies to all clauses mentioned in the bill, including the one concerning telecommunication charges.

Mr. Speaker, this measure was voted on a year ago. We believe that the year granted to members of treasury board is a fairly long period of time. Besides, this bill was passed in order to set up a system whereby all

members would be on an equal footing, that is those who live far away and those who live nearby. It is true that travelling expenses and telephone charges incurred by members living in Halifax or Vancouver are higher than of members living in Montreal or Ottawa, or still nearer.

I think it would be advisable for the house to recommend to the members of treasury board to make a decision as soon as possible on this point and to make their decision consonant with section 1 of the bill which is retroactive to April 8, 1963.

[*Text*]

Mr. A. D. Hales (Wellington South): Mr. Speaker, speaking to the point of privilege may I say I hope that when the internal economy commissioners discuss this matter, they will give no consideration to accepting the request which has just been made.

FLOODS

BRITISH COLUMBIA—ACTION TO PREVENT POSSIBLE DAMAGE

On the orders of the day:

Mr. Frank Howard (Skeena): Mr. Speaker, with every passing hour the flood situation in British Columbia gets that much worse. I wonder if I might pose a question to the Minister of Northern Affairs and National Resources and ask whether he has any up to date information to relay to the house on the action taken to prevent very serious damage in that province.

Mr. Speaker: On the grounds of urgency I realize that flood conditions out west are really a very serious matter in the Fraser valley, the Skeena area, and so on. If the minister has anything to say, let him say it.

Hon. Arthur Laing (Minister of Northern Affairs and National Resources): Mr. Speaker, we have some information on the condition of the rivers in British Columbia as of about yesterday noon. This is the time of the year when great concern is felt in the valleys of a number of our rivers. I think the Fraser river is rising at the rate of about one foot per 24 hours, and this will be reflected at the gauge at Mission in about three days. There has been some flooding already in the case of the Skeena at Cedarvale, about 65 or 70 miles east of Terrace. The flow in the Columbia drainage basin is rising much less rapidly. We are particularly concerned over the fact that precipitation has been somewhat higher and run-off has been greatly delayed. The chief concern in the province of British Columbia to date, of the provincial people and those in areas that are organized, is the outlook for the weather. Yesterday the weather was in the 60's and low 70's in the interior of British Columbia; today it is expected that the temperature in most of the interior areas will rise to 80 degrees and that there will be a temperature of 75 degrees at Prince George.

My hon. friend from Skeena is fully aware of the problems that situation poses for us. We have every evidence that the officials of the province of British Columbia and the civic authorities, wherever they are stationed, are aware of the situation and are doing their utmost to prepare for it.

Mr. Howard: A supplementary question, Mr. Speaker. Could I ask the minister, or perhaps the minister responsible for E.M.O., whether any agency of the federal government is prepared to assist in any way if the situation does get out of hand?

Mr. Laing: Mr. Speaker, I am quite certain that the government of Canada would act, in the normal course of events, upon application of the government of the province of British Columbia.

PARLIAMENT HILL

REQUEST THAT R.C.M.P. IN ATTENDANCE BE BILINGUAL

On the orders of the day:

[*Translation*]

Mr. Gilles Grégoire (Lapointe): Mr. Speaker, I wished to direct a question to the Minister of Justice, but in his absence maybe the Prime Minister could answer.

As the number of tourists coming from all over Canada to visit parliament increases with the coming of the summer months, and as the parliament buildings themselves should be an example and a model as far as integral bilingualism is concerned, could the Prime Minister give us the assurance that he will see to it that all R.C.M.P. constables on duty on parliament hill are bilingual, that is are able to understand and to make themselves understood in both languages?

[*Text*]

Right Hon. L. B. Pearson (Prime Minister): I will be very glad to look into that matter, Mr. Speaker.

Inquiries of the Ministry

INDIAN AFFAIRS

READINESS OF PROVINCES TO ATTEND CONFERENCE

On the orders of the day:

Mr. Robert Simpson (Churchill): Mr. Speaker, I should like to direct a question to the Minister of Citizenship and Immigration. In relation to the planned federal-provincial conference on Indian affairs, can the minister inform the house which provinces have signified that they are prepared to meet now and which provinces have indicated that they will need more time to consider this matter?

Hon. René Tremblay (Minister of Citizenship and Immigration): I will take this question as notice, Mr. Speaker.

CANADIAN FLAG

REQUEST FOR TABLING OF TELEGRAM FROM PREMIER SMALLWOOD

On the orders of the day:

Right Hon. J. G. Diefenbaker (Leader of the Opposition): Mr. Speaker, may I refer the Prime Minister to the answer he gave me on June 2 relative to the telegrams passing between Premier Smallwood of Newfoundland and the Prime Minister with regard to the two flags, or to one of those flags. At the page in question I asked for the production of this telegram, which was tabled yesterday. I also used these words, as reported at page 3833 of *Hansard*:

> Can we also have the telegram from Mr. Smallwood so that we can resolve this apparent dispute or uncertainty as between the views of the Prime Minister and the premier of Newfoundland?
>
> Mr. Pearson: Mr. Speaker, I would be glad to ask Premier Smallwood for permission to table his telegram, and I would certainly be very glad to table my own.

When I asked for the production yesterday, Mr. Speaker, the Prime Minister said there had been no correspondence. I would ask him what he meant the day before yesterday when he stated that he would find out whether the telegram from Premier Smallwood could be tabled and his consent secured thereto.

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, when I answered the question to which my right hon. friend has referred I was of the impression that Mr. Smallwood had made the request by telegram for information as to the procedure to be followed if and when the resolution were adopted. When I got back to my office I found that the request had been made by long distance telephone. I am very sorry if I have misled my right hon. friend and the house, but it was a telephone call, not a telegram. The telephone call was asking for information, and when I sent back the telegram "In reply to your request" I was referring to that telephone call.

REPORTED THREATS TO SUPPORTERS OF RED ENSIGN

On the orders of the day:

Mr. Robert C. Coates (Cumberland): Mr. Speaker, I have a question for the Prime Minister. Has the Prime Minister been informed that the life of the organizer of the red ensign march on parliament hill was threatened; and further, that the lives of the members of her family were included in the threat; and still further, that only one retail outlet in downtown Ottawa was willing to sell the red ensign, the remainder apparently being in fear of reprisals—

Some hon. Members: Oh, oh.

Mr. Coates: It is very kind of hon. gentlemen opposite to laugh when the lives of individual Canadians are being threatened.

Mr. Speaker: Order. Has the hon. member finished his question?

Mr. Coates: No, I have not finished yet, Mr. Speaker—and of the proprietor of that establishment having his life threatened for selling the red ensign?

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, I have no such information. If the report is accurate I know how they must feel, because I have been getting some threats myself.

Mr. Coates: Mr. Speaker, it is all very well for the Prime Minister to slough off threats that are being made against the lives of Canadians because they are interested in flying the flag that is designated as Canada's flag.

Mr. Speaker: Order. The hon. member for Joliette-L'Assomption-Montcalm.

Mr. Coates: Mr. Speaker, I have a supplementary question for the Prime Minister. Will the Prime Minister assure the house that every possible step will be taken to assure that threats of this type will not be made against any Canadian citizen, and will he inform the house just what has taken place with regard to these threats made by hoodlums, no doubt?

Mr. Pearson: Mr. Speaker, if the hon. gentleman will send me a copy of his report I will be glad to examine it, and if the circumstances warrant it can be passed on to the police and to the mayor of Ottawa.

Mr. Coates: Mr. Speaker, I would think that the Prime Minister—

Mr. Speaker: Order. This is no time for argument.

[*Later:*]

Mr. John Loney (Bruce): My question is for the Minister of Justice, but in his absence I shall direct it to his parliamentary secretary. Will the minister inform the house whether the R.C.M.P. were instructed to restrict or restrain spectators and non-participants who entered the grounds of the parliament buildings on Monday evening during the flag demonstration? Will the minister investigate the situation in which a member of this house was forcibly restrained and asked to identify himself as a member of parliament before he was allowed to proceed?

Mr. D. S. Macdonald (Parliamentary Secretary to Minister of Justice): I would be glad to bring this matter to the minister's attention.

REQUEST FOR REPORT ON AUDIENCE OF TRANSPORT MINISTER WITH THE QUEEN

On the orders of the day:

[*Translation*]

Mr. L. J. Pigeon (Joliette-L'Assomption-Montcalm): Mr. Speaker, I should like to direct a question to the Prime Minister concerning the recent trip to London of the Minister of Transport and his audience with Her Majesty the Queen, and also concerning the government's delay in starting a debate on Canada's two flags. Could the Prime Minister tell the house whether it is true that Her Majesty the Queen explained that the union jack was the flag of the United Kingdom and its colonies, while Canada was rather a sovereign country? Could he also explain whether that is the reason for the government's delay in introducing its legislation?

[*Text*]

Mr. Speaker: This question is out of order. It is hypothetical.

[*Translation*]

Mr. Grégoire: Ten o'clock.

Some hon. Members: Ten o'clock bogeyman.

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

[*Text*]

REQUEST THAT NEW DESIGN BE FLOWN ON PARLIAMENT HILL

On the orders of the day:

Mr. Andrew Brewin (Greenwood): Mr. Speaker, my question is addressed to the Prime Minister, and I have given him notice of it. In view of the evident interest of the members of parliament, as well as the general public, in the subject of a flag for Canada, can or will arrangements be made to have the flag proposed in the resolution flown on the flagpoles in front of the parliament buildings which are used from time to time for flying other than official flags, so that members in making their decision can have the advantage of seeing for themselves the proposed flag flying as it will appear if adopted?

Right Hon. L. B. Pearson (Prime Minister): We would be glad, Mr. Speaker, to arrange to have that done.

Mr. Brewin: May I ask a supplementary question. Will the Prime Minister consider at the same time also flying in the same manner a design with a single maple leaf on it?

Mr. Pearson: Well, Mr. Speaker, I think there would be some responsibility on the government to show to members the flag which is described in the resolution so they would have it before them before they decide. We have not, of course, the same responsibility in regard to any other design. However, I will be glad to look into this suggestion.

Right Hon. J. G. Diefenbaker (Leader of the Opposition): Possibly the Prime Minister would enlighten the house as to the number of hours, approximately, that this flag was flying out at the Prime Minister's summer home?

Some hon. Members: Oh, oh.

Mr. Diefenbaker: I am sure the people of Canada would like to know how long it took before he arrived at the decision that it was, to use his word, "wonderful".

Mr. Pearson: This flag was flown for some hours over the summer cottage of the Prime Minister, on private property where there

was no main road and where it was not normally possible to see it, so I could get a very good view of it.

Mr. Diefenbaker: I ask the Prime Minister again, does he think he was justified in doing that at the Prime Minister's house?

Mr. Pearson: Yes, Mr. Speaker, entirely justified.

POWER

COLUMBIA RIVER—TELEGRAM FROM GROUP OF ENGINEERS

On the orders of the day:

Mr. H. W. Herridge (Kootenay West): Mr. Speaker, I wish to direct a question to the Prime Minister. Has the Prime Minister received a petition signed by 19 Canadian engineers who attended the recent annual meeting of the Engineering Institute of Canada, urging that in view of the serious differences of opinion that exist with respect to the Columbia river treaty, before the government commits the country to an irrevocable course of development it take further steps to ensure beyond reasonable doubt that this treaty will serve the best interests of Canada now and in the future? Would the Prime Minister inform the house of his reply to these distinguished engineers?

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, this is an important question and it deserves a detailed reply. It is true that on Monday morning of this week I did receive the telegram to which my hon. friend has referred, attributed to a group of very distinguished Canadian engineers and asking that "steps should be taken to ensure beyond reasonable doubt that any treaty on the Columbia truly serves the best interests of Canada now and in the future".

On Tuesday I sent a reply to the originator of the telegram and addressed copies to all the other engineers named in the telegram. The same day I received the following telegram from one of the most distinguished persons on the list, the president of Calgary Power, Mr. G. H. Thompson:

> I have received a copy of your telegram to Dr. L. Austin Wright in reply to his telegram to you of May 31 regarding the Columbia river treaty. Having noted from your reply the thorough study already given to this treaty I would request that my name be deleted from those listed in Dr. Wright's telegram to you.

Yesterday I received a telegram from another distinguished person on the list, namely

Mr. J. B. Sterling, chancellor of Queen's University and a former past president of the Engineering Institute of Canada. The following is the text of his message:

> Thanks your telegram June 2 re Columbia treaty. Regret did not have complete information last week and now withdraw completely any objection.

This morning I received a somewhat longer telegram from Mr. P. M. Sauder of Lethbridge, Alberta, whose name was also listed on the original telegram. Mr. Sauder begins his telegram by saying:

> I do not understand how I got involved in the discussion of the Columbia river treaty, while I talked with Dr. Austin Wright I do not remember discussing this subject with anybody at the Banff meeting of the Engineering Institute of Canada.

Mr. Sauder goes on to raise some question about possible diversions for consumptive uses on which I have commented to him in a telegram this morning. I do not know what further messages may come in on this matter, as I understand that many of those whose names were listed in the original telegram have not yet arrived at their homes after the conclusion of the Banff meeting. It seems clear, however, that in general the signers of the telegram were expressing their interest in this important subject. As indicated in my reply to them, the government and many outstanding engineering authorities who testified before the external affairs committee are satisfied that the existing treaty and protocol will serve the best interests of Canada now and in the future.

Mr. T. C. Douglas (Burnaby-Coquitlam): A supplementary question, Mr. Speaker. The Prime Minister has read a number of telegrams, but I do not believe he has read the one containing his reply to the original telegram.

Mr. Pearson: It might be desirable if I tabled the original telegram, my reply and any telegrams that have come in in reply to my reply. I would be glad to do that tomorrow.

Mr. Douglas: Except for the fact that telegrams from various engineers have already been quoted by the Prime Minister, and it seems to me that the record should also contain the Prime Minister's reply.

Mr. Pearson: I will be glad to table all telegrams that have come in later in the day when I will get them in my office.

Mr. Martin (Essex East): There are some more coming in now.

EXTERNAL AFFAIRS

RECOGNITION OF QUEBEC DELEGATION IN PARIS

On the orders of the day:

[*Translation*]

Mr. Maurice Côté (Chicoutimi): Mr. Speaker, I should like to direct a question to the Secretary of State for External Affairs. Could he tell the house whether France has unofficially expressed the wish to recognize the Quebec delegation in Paris as the permanent delegation of a sovereign country and whether he will soon accede to that request?

Hon. Paul Martin (Secretary of State for External Affairs): The answer is definitely no, Mr. Speaker.

[*Text*]

ADMINISTRATION OF JUSTICE

ALIEN INFLUENCES IN TERRORIST ACTIVITIES

On the orders of the day:

Mr. Heward Grafftey (Brome-Missisquoi): Mr. Speaker, I should like to put a question to the Prime Minister. Has the government taken definite steps in order to investigate whether organized alien influences are behind and have infiltrated terrorist activities within our country?

Mr. Speaker: Order. It does seem to me that this is a question requiring very careful consideration before an answer is given, unless the Prime Minister has already considered the question or received notice of it.

Right Hon. L. B. Pearson (Prime Minister): I was going to say, Mr. Speaker, that I would be very glad to look into that matter.

NORTHERN AFFAIRS

QUEBEC—ADMINISTRATION OF ESKIMO AFFAIRS

On the orders of the day:

[*Translation*]

Hon. Paul Martineau (Pontiac-Témiscamingue): Mr. Speaker, I should like to direct a question to the Prime Minister.

In view of the failure of the Minister of Northern Affairs and National Resources in his negotiations with the province of Quebec as regards the transfer of jurisdiction over the Eskimos, has the government given consideration to the appointment of another federal negotiator?

[*Text*]

SOCIAL INSURANCE

INQUIRY AS TO CONTINUATION OF ADVERTISING CAMPAIGN

On the orders of the day:

Mr. A. D. Hales (Wellington South): I should like to address a question to the Minister of Labour. Has the minister taken any steps to withdraw or cancel the extravagant advertising campaign to create the impression that registration for social security is the obligation of everyone?

Hon. A. J. MacEachen (Minister of Labour): No, Mr. Speaker, I have taken no steps to alter the advertising in any way.

HOUSING

ASSISTANCE BY C.M.H.C. TO POINT EDWARD NAVAL BASE EMPLOYEES

On the orders of the day:

Mr. Robert Muir (Cape Breton North and Victoria): Mr. Speaker, I have a question for the minister who reports for Central Mortgage and Housing Corporation. According to press and radio reports special measures are being taken by Central Mortgage and Housing Corporation to assist the unemployed in Elliot Lake, in the riding of Algoma East which is represented by the Prime Minister. Will the same assistance be provided to the workers at the Point Edward naval base in my constituency who have been thrown out of work by the actions of this government?

May I also ask the Prime Minister if he would devote just a fraction of his time to this problem, rather than spending it in playing around with flags?

Mr. Speaker: Order, please. Would the hon. member put the first part of his question on the order paper?

Mr. Muir (Cape Breton North and Victoria): I am sorry, sir, but I did not hear you.

Mr. Speaker: If I remember the hon. member's question correctly it was in three parts. The last two paragraphs were opinions, but the first question, it seems to me, is one which should be put on the order paper.

Mr. Muir (Cape Breton North and Victoria): With all due respect, Mr. Speaker, I asked a direct question of the minister who reports to the house for Central Mortgage and Housing Corporation. I asked him to confirm reports that something is going to be done for those

who are unemployed at Elliot Lake, and if something could not be done for the unemployed in my riding. Surely they are as important as the people who reside in Algoma East.

Mr. Speaker: Order. This is not the time for debate.

REPORTED DECREASE IN CONSTRUCTION IN ATLANTIC AREA

On the orders of the day:

Hon. J. R. Nicholson (Postmaster General): On Tuesday last the hon. member for Pictou asked me, as the minister who reports to this house on behalf of the Central Mortgage and Housing Corporation, about a reported decrease of 23 per cent in housing construction in the Atlantic region.

I believe, after checking, that the figure to which the hon. member referred relates to the number of dwellings under construction in urban centres at the end of April. Central Mortgage and Housing Corporation have assured me, since the question was asked, that the volume of housing construction in urban centres in the Atlantic region so far this year was substantially higher than a year ago, due in part, of course, to the winter housing program.

The actual figures are as follows. The number of dwellings brought to completion in the Atlantic region, during the period in question, totalled 1,302 units in the first four months of the year as compared with 835 units in the corresponding period in 1963, an increase of 55.9 per cent. The corporation has also assured me that while during the same period, that is the period when completions were up substantially, housing starts in the same region were down somewhat as compared with the previous year, the figures for May show an increase of 5.4 per cent over the corresponding month of last year.

Mr. H. Russell MacEwan (Pictou): May I express the hope that the reports of the Central Mortgage and Housing Corporation are clarified before being given to the press in future.

Mr. Robert Muir (Cape Breton North and Victoria): May I ask the Postmaster General what arrangements he has been able to make to assist the unemployed workers from the Point Edward naval base to pay their rent?

Mr. Nicholson: I will take the question as notice.

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

URANIUM

REQUEST FOR CHANGE IN FORM OF U.K. CONTRACT

On the orders of the day:

Mr. R. A. Webb (Hastings-Frontenac): I have a question for the Prime Minister. It seems that the present contract forms in connection with the United Kingdom's offer to purchase 1,200,000 pounds of uranium oxide are so worded that only the wealthy Consolidated Mines and Denison Mines can tender on these contracts. Will the Prime Minister have new contracts prepared in order that our own, small, wholly Canadian companies can tender on this contract?

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, the offer was made in terms which did not discriminate against any producing mine.

[*Later:*]

Mr. Webb: Mr. Speaker, I would like to ask the Prime Minister whether representation has been made to him or to the department by representatives of the smaller mines, stating that due to the wording of the present tender forms for the uranium it would be impossible for these small firms to tender?

Mr. Pearson: Mr. Speaker, I have received representations. The offer made to the producing mines was in a form to ensure that the maximum amount of employment would result from the successful bidder.

TRANSPORT

ST. LAWRENCE SEAWAY—REQUEST FOR REPORT ON TOLL INVESTIGATION

On the orders of the day:

Mr. Thomas M. Bell (Saint John-Albert): I should like to direct a question to the Minister of Transport, and may I say that we are all delighted to see him back in his place so relaxed after his family holiday in the United Kingdom. In view of the statement which was made yesterday about seaway revenues, will the minister give an interim report, as he said he would, before July 1, the deadline for the investigation of tolls on the seaway? Will he also tell us how the investigation is coming on alongside that of the United States and what we may expect in the way of further hearings?

Hon. J. W. Pickersgill (Minister of Transport): I very much hope to be able to make a report before the deadline. I thank the hon.

gentleman for the rather belated welcome. I was here yesterday.

Mr. Erik Nielsen (Yukon): I have a question supplementary to the one asked by the hon. member for Saint John-Albert. When the Minister of Transport visited Buckingham palace, did he have an interview with Sir Basil Smallpiece with a view to improving the efficiency and organization of house business in Canada?

THE MINISTRY

NATIONAL REVENUE—APPOINTMENT OF MINISTER

On the orders of the day:

Mr. R. R. Southam (Moose Mountain): I have a question for the Prime Minister. Instead of dangling the bait of a cabinet post before the voters of Saskatoon, Saskatchewan, would it not be in the best interests of Canada to fill the vacancy of the Minister of National Revenue at once with one of the qualified Liberal back benchers?

Right Hon. L. B. Pearson (Prime Minister): I am grateful to my hon. friend for his advice.

HEALTH AND WELFARE

VANCOUVER—REPORTED CONTAMINATION OF MILK SUPPLY

On the orders of the day:

Mr. T. C. Douglas (Burnaby-Coquitlam): May I direct a question to the Minister of National Health and Welfare of which I gave notice in the house two days ago. It has to do with an announcement by the officials of her department regarding the significant level of contamination of milk due to pesticide poisoning in the Vancouver area. I wonder if the minister could give the house a report on whether action is being taken regarding this serious situation.

Hon. Judy V. LaMarsh (Minister of National Health and Welfare): I noted in *Hansard* that my hon. friend suggested I was convalescing, whereas in fact I have been conducting the business of the department for four or five days. However, I thank my friend for his solicitude.

In reply to the question which he posed to my parliamentary secretary I should like to state that trace amounts of pesticide residues were detected in market milk during a routine survey carried out by the food and drug directorate in dairy products in British Columbia. The levels found do not represent any immediate hazards to health; therefore there is no justification at the present time for a reduction in the consumption of milk by either adults or children.

However, there is no question but that such residues are undesirable and could represent a potential hazard if milk containing these residues were consumed over long periods of time. Therefore the federal department is working closely with the provincial departments of health and agriculture in order to bring about an improvement in the situation. The regulatory program of the food and drug directorate is continuing, and I also understand that the province is planning to establish a laboratory to examine food products as well as animal feeds for pesticide residues.

I should like to assure the hon. member and the house that if the levels found in milk are considered in any way and at any time to be hazardous or deleterious to humans, immediate action will be taken to have such milk removed from the market.

Mr. Douglas: Before asking a supplementary question may I say I am sure all hon. members are delighted to see the minister back in good health. I understand she had some trouble with her spine but I want to tell her I know there is nothing wrong with her backbone.

Some hon. Members: Explain.

Mr. Douglas: Mr. Speaker, I want to assure the house that that was an allegorical expression and not a personal opinion. May I ask the minister what level of contamination was found and what is the level which is estimated to be dangerous.

Miss LaMarsh: Mr. Speaker, may I say I am sorry that it was not a rather more personal remark that my hon. friend made. Since I am unable to give the statistical information which he now requests I should be happy to see him privately and discuss both matters with him.

CANADIAN BROADCASTING CORPORATION

REQUEST FOR SHOWING OF FILM RESPECTING PRIME MINISTER

On the orders of the day:

Mr. D. M. Fisher (Port Arthur): Mr. Speaker, may I direct a question to the Secretary of State. I understand that the C.B.C.

today issued a press release in connection with the Pearson film, but after having it read to me by a C.B.C. official I find it is no answer to the question I raised with the minister as to whether the C.B.C. would be prepared to arrange a showing of this controversial film for members of parliament. Has the minister his reply yet?

Hon. Maurice Lamontagne (Secretary of State): Mr. Speaker, in answer to the request made to me by the hon. member, I am informed by the C.B.C. that tentative plans have been announced by the national press club for the showing of the film in question. If there is such a showing it will be carried out solely on the responsibility of InterVideo Productions. The C.B.C. does not plan any private showings of this film which has been rejected for the C.B.C. television network. For the additional information of the hon. member, the corporation has announced today that it is releasing two prints of the film to InterVideo Productions.

Mr. Fisher: The conditions under which the films have been released are that they be shown only to film societies. Would the minister press very strongly that the C.B.C. give permission to Mr. Ballentine to show the films they are going to release on a wider basis so that all of us, including members of parliament, can get an easy chance to view them?

Mr. Lamontagne: Mr. Speaker, I am certainly not going to press the C.B.C. on anything with regard to programming.

Mr. Fisher: My question had nothing to do with programming. I am talking about giving a demonstration, on parliament hill for parliamentarians, of the film in the railway committee room, using 16 mm. film and a projector.

ROYAL CANADIAN AIR FORCE

OTTAWA—U.S. PARTICIPATION IN AIR FORCE DAY

On the orders of the day:

Hon. Lucien Cardin (Associate Minister of National Defence): Mr. Speaker, on Tuesday last the hon. member for Yukon who is, I understand, a former member of the R.C.A.F., asked whether any arrangements would be made for participation of the R.C.A.F. in the air force day program—

Mr. Speaker: Would the minister restate his answer? I was not able to hear the beginning of it.

[Mr. Fisher.]

Mr. Cardin: Yes, Mr. Speaker. On Tuesday last the hon. member for Yukon who is, I understand, a former member of the R.C.A.F., asked whether any arrangements would be made for participation of the R.C.A.F. in the air force day program taking place at R.C.A.F. station Rockcliffe this Saturday. He alleged that the majority of personnel and equipment participating were from the United States air force rather than from the Royal Canadian Air Force.

I can inform the hon. member that, as is not unusual, he has his facts wrong. Actually over 90 per cent of those participating and over 90 per cent of the equipment being shown is R.C.A.F. It is true that both the United States air force and R.A.F. aircraft, in limited numbers, will take part in the fly past saluting the 40th anniversary of the R.C.A.F., thus showing on the part of our allies a more sincere appreciation than that expressed by the wording of the hon. member's question of the contribution the R.C.A.F. has made, and continues to make, to the defensive alliance of the west. As a joint partner in NORAD the United States air force is also contributing to the static display at Rockcliffe.

I understand that as a member of the special committee on defence the hon. member has received an invitation to attend the air show, and I hope he avails himself of the opportunity in order to see for himself just how wrong he was.

Mr. Erik Nielsen (Yukon): Mr. Speaker, I can tell the minister I fully intend to attend the air show, but I would ask him to be fair when making comments on my question. If he will read it carefully he will see that no allegations were made by me whatsoever, that I said my information was that the United States air force was participating openly in the air show, and I simply wanted the minister to confirm or deny whether this was so. I made no such allegation and I suggest it is improper for the minister to impute motives to the question I asked.

Mr. Cardin: Mr. Speaker, I think the hon. member should be satisfied now. He told me what his information was and I have told him what my information is today.

Mr. Nielsen: I am not—

Mr. Speaker: Order, please. I do not want to be laying down the law all afternoon, but it does seem this is a good time to point out to both hon. members that according to the

instructions given me this is a very good illustration of the following; that answers to questions—and this would include questions too—should be as precise as possible, should deal with the matter raised and should not provoke debate. I think, in order to be strictly impartial and fair, it should apply to both parties.

NATIONAL DEFENCE

CANADIAN PARTICIPATION IN UNITED STATES MILITARY EXERCISE

On the orders of the day:

Hon. Gordon Churchill (Winnipeg South Centre): Mr. Speaker, I would like to ask the Associate Minister of National Defence whether he has an answer to a question which I put to the Minister of National Defence on May 26, and to which I have received no answer up to date.

Hon. Lucien Cardin (Associate Minister of National Defence): I am not aware of that particular question.

LABOUR RELATIONS

BRITISH COLUMBIA—FREEDOM OF WORKERS TO JOIN UNION OF CHOICE

On the orders of the day:

Mr. T. S. Barnett (Comox-Alberni): I have a question for the Minister of Labour, of which I have given him notice. I view of the fact that MacMillan, Bloedel and Powell River Limited, the largest industrial concern in the province of British Columbia, is currently trampling upon the principles of the I.L.O. convention respecting the right of workers freely to enjoy the protection of the union of their choice, will the minister use his good offices with Mr. J. V. Clyne, the head of that company, to alter the course of action presently being pursued by his company?

Mr. Speaker: Order. This is a question for the order paper.

AIRPORTS

DORVAL—ALLEGED RESTRICTION ON ACCESS BY TAXIS

On the orders of the day:

[*Translation*]

Mr. L. J. Pigeon (Joliette-L'Assomption-Montcalm): Mr. Speaker, I should like to direct a question to the Minister of Transport.

Does the government intend to allow taxi drivers of the Montreal area to have access to Dorval airport, thus taking away that monopoly from the Murray Hill Company?

[*Text*]

Hon. J. W. Pickersgill (Minister of Transport): If the hon. gentleman will put his question on the order paper I will be glad to seek an answer.

POWER

COLUMBIA RIVER—APPROVAL OF RATIFICATION OF TREATY

The house resumed, from Wednesday, June 3, consideration of the motion of Mr. Martin (Essex East):

That it is expedient that the houses of parliament do approve the ratification of the treaty between Canada and the United States of America relating to co-operative development of the water resources of the Columbia river basin, signed at Washington on January 17, 1961, and the consequent coming into force of the protocol thereto annexed to the exchange of notes signed at Washington on January 22, 1964, and that this house do approve the same.

Mr. Andrew Brewin (Greenwood): When the debate was adjourned last night I was discussing the right of diversion for consumptive use—

Mr. Davis: On a question of privilege. A few minutes last evening before the hon. member for Greenwood remarked that it was five o'clock, he referred to a statement which he attributed to myself. He said that with respect to rights of diversion from the Columbia pursuant to the treaty there was ambiguity. He used the word "ambiguity" and chose, also, to attribute it to me. May I say I have never used the word in that connection.

Mr. Brewin: I will, of course, accept what the hon. member has just said. He did not use the word "ambiguous". However, he used a similar word having the same meaning.

What I was discussing when the debate adjourned last night was the view which we hold that the right of diversion for consumptive use provided for in article XIII of the treaty and paragraph 6 of the protocol was illusory as far as any practical diversion to the prairie provinces was concerned because any such diversion, to be economic, would have to be for multiple use including the generation of power, which is explicitly excluded under the terms of the definition

of consumptive use in article 1(e) of the treaty. I also pointed out that the only reasoned legal opinion presented to the committee—an opinion which I believe to be correct—was to the effect that the permitted consumptive use contemplated by the treaty was riparian use, that is, use within the Columbia basin itself.

I am aware that the Secretary of State for External Affairs has asserted from time to time, with his usual tone of absolute assurance, that diversion is permitted for purposes of power generation, provided such use is only incidental and that the other uses are, as he has put it from time to time, the primary or main uses—the real and the genuine uses of the water diverted. It is significant that no reasoned legal opinion is presented to justify the addition of those words to the clear language of the treaty.

If this interpretation is so acceptable, why not submit it to the United States and get their approval of this clarification? When the Secretary of State for External Affairs and other proponents of the treaty are backed into a corner on this question of diversion they reply that the matter is of little practical consequence in any event, as the proposals for diversion are either too expensive or are far away in the future. Indeed, they say there are other sources of water for diversion which can be used more cheaply and which are more accessible. This is not the view of those who are most concerned. We heard a brief presented by the government of Saskatchewan supported in detail by the evidence of Mr. Cass-Beggs, general manager of the Saskatchewan Power Corporation and a hydro engineer of distinction. He said that a Columbia prairie diversion might well be an exceedingly important component of a water plan for the prairie provinces. It is this right of diversion, so described by Mr. Cass-Beggs, and conferred by the Boundary Waters Treaty Act of 1909 which, we say, is being given away without the payment, if I may use such an expression, of a plugged nickel.

It is true that article XIII contains provision for the diversion from the Kootenay into the Columbia of a specific amount of water after 20, 60, 80 and 100 years from the date the treaty comes into force. But this right, in the opinion of General McNaughton and others who gave evidence before the committee may also be illusory, because the building up of vested interests on the completion of the Libby dam will make the exercise of these rights impracticable, even though the legal right is there.

[Mr. Brewin.]

The essential difference between the McNaughton plan and the treaty plan is that the treaty plan includes Libby in the United States, and the construction of Libby precludes, in fact, the effective diversion of the upper Kootenay. The treaty storages are near the border. The storages proposed by the McNaughton plan are as high up on the rivers on the Canadian side as possible. The essential difference, therefore, is that under the McNaughton plan there is maximum flexibility and control of Canadian water in Canada.

The treaty plan throws away the most effective bargaining counter which Canada would have for the future. It will be necessary for us to deal again in the future with the United States but we will be deprived of our most effective bargaining power. There is no doubt that the Canadian negotiators preferred the plan which excluded Libby and had succeeded in persuading their United States counterparts to negotiate on the basis of giving up Libby, which was indeed an expensive project though significant because it ensured flow of water from the Kootenays. Why, then, did the Canadian negotiators suddenly switch from the McNaughton plan to what they themselves have described as a second best plan, a plan which included Libby and limited control over Canadian water?

The answer to this was made very clear in the evidence which was given before the committee on external affairs. As reported at page 1147 of the report of the proceedings Mr. Fulton, the chief negotiator for Canada, was asked about a press statement accredited to him and which reads as follows:

> Justice minister E. Davie Fulton, in a series of frank speeches in B.C. recently, put it in this way: "Under our constitution, B.C. is the owner of natural resources lying within provincial borders... and has therefore the right to designate which resources should be developed and in what way. This is the basic reason why High Arrow is included, and the major dams and diversion of the Kootenay river are not included in the treaty projects".

That passage was in quotation marks and Mr. Fulton acknowledged that he had said that. Then the press report went on to say:

> He also publicly admitted the salvage nature of the negotiations from that point: "B.C. having made these decisions, it was then the federal government's task to negotiate with the U.S. within the pattern thus determined...We then had to ask ourselves the final question, does this arrangement still represent an advantage to Canada?"

Mr. Fulton also acknowledged that this accurately represented what he had said, and indeed that the final treaty was to be negotiated within the pattern set by the premier of British Columbia. Mr. Green and the hon. member for Calgary North (Mr. Harkness) have said the same thing, in effect that Canada accepted a second best treaty because of the veto of the province of British Columbia.

The Secretary of State for External Affairs acquiesced in the theory that the McNaughton plan was in fact vetoed by the British Columbia government. Indeed, in correspondence with General McNaughton and in his evidence he seems to accept the theory that under our constitutional system the fact that the provinces have the ownership of the water and land affected by the development of an international river confers on them the right to veto a project. In a letter dated August 6, 1963 to the secretary to General McNaughton, the Secretary of State for External Affairs explained his rejection of the general's plan and said that the province of British Columbia selected the present treaty project. I would ask the house to note the word "selected". The province of British Columbia selected the treaty project, and he said the federal government were bound to accept this dictation. We in this party repudiate this surrender and abdication of jurisdiction over an international river.

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

Mr. Brewin: Certainly, although I do not have too much time.

Mr. Gelber: As I understand it, the hon. member says that the original proposal put forward by the government of Canada was the McNaughton plan. I think that if he refers to the government submissions he would find that the original plan which the government undertook to put forward included high Arrow, and is it not a fact that General McNaughton never accepted the high Arrow project?

Mr. Brewin: Well, I do not propose to go into irrelevant details of that sort. The facts are very clear. As Mr. Fulton and many others have said, a project which excluded Libby was rejected at the dictation and veto of the province of British Columbia, and that is the point I am trying to make.

Mr. Gelber: Did the hon. member say a few minutes ago that the location of high Arrow was probably one of the weaknesses of the present sequence, and—

Mr. Brewin: Mr. Speaker, I imagine the hon. member will have his chance to make a speech. I have not even discussed high Arrow. I have a good deal to say and I want to get on and make my own speech, if I may.

We in this party repudiate this surrender and abdication of jurisdiction. The theory of the government that the government of Canada cannot make treaties for the development of international rivers without the consent and concurrence of the provinces is dangerous, unsound and is an unconstitutional doctrine which should be repudiated by this house. This doctrine confuses ownership with legislative jurisdiction, and I suggest that the acceptance of this doctrine would seriously weaken Canada's bargaining position on all future occasions of this sort.

I do not propose to detain the house with a lengthy lecture about the British North America Act. I will content myself with a quotation, which is undoubtedly a correct statement, by the Hon. Jean Lesage, made in 1955 when he was minister of northern affairs. At that time he was officially putting forward the view of the government of the day with regard to jurisdiction in this matter and he said this:

> According to the Canadian constitution, works built on rivers in Canada and having an effect outside the country fall under the jurisdiction of parliament even if they are entirely located in one province.

This difference of opinion about the power and responsibility of the federal government was clearly set out by General McNaughton in a letter to the Secretary of State for External Affairs dated September 23, 1963. General McNaughton said:

> I do not—

—and the word "not" is underlined—

> —agree that the government of British Columbia is the government responsible for the final selection, by which I understand you mean the ultimate decision.

I will not quote at length but this matter was clearly considered in this correspondence.

Notwithstanding that, the Secretary of State for External Affairs persists in speaking of the right of veto of the province of British Columbia and the fact that there is no alternative to the acceptance of the pattern set by that provincial government. I say there is no doubt that the government of Canada had the constitutional power if it had the

will to proceed with whatever project it believed best for Canada, and if need be it could have declared the whole project a work for the benefit of Canada both as to the power and the water. I am not saying for one moment that in these days of co-operative federalism a province which undoubtedly has the proprietary right in the power to be produced should not be consulted and its views fully taken into account. What I am suggesting is that in a matter which affects the welfare of more than one province and is unquestionably within the legislative jurisdiction of parliament as determined by the B.N.A. Act the government of Canada has a duty to assert firmly that Canada will be master in its own house and will not submit to dictation or veto in international negotiations from any province.

In other words, what the government of that day and the government of today should have said to Mr. Bennett in relation to this matter is, to use a colloquial phrase, "Go jump in the lake", or if not in the lake, in the river. We all know that as we approach Canada's one hundredth birthday we are doing some soul searching about our constitutional set-up and the relations between the federal and provincial governments. We in this party do not believe that the policy of abject surrender to provincial veto evidenced by the history of this treaty will help to build a strong or united Canada. We ask parliament to reassert the jurisdiction claimed for parliament by Mr. Lesage, a jurisdiction which it undoubtedly has.

While dealing with parliament I want to make a final comment on the way the treaty has been submitted to parliament. This treaty was subject to ratification by Canada and the United States. Before the last election the Prime Minister (Mr. Pearson) promised that the treaty would be submitted to parliament and scrutinized by the external affairs committee, which would hear evidence and then make its recommendations.

After the election, and before submitting the treaty to parliament, the protocol was negotiated and signed. The committee then met, as the house knows, and many days were spent in hearing evidence. However, the Secretary of State for External Affairs (Mr. Martin) attended on the committee and made it clear that while the committee had the theoretical power to do what it liked, in fact the treaty that was before it was before it on a "take it or leave it" basis; no changes were to be accepted; the existence of the government was put on the line in support of every dot or comma in the treaty and protocol.

I must say that I found it hard to see, in the circumstances, how any supporter of the government could express any views or hesitations about the treaty, whatever the evidence happened to disclose. In this situation the review by the external affairs committee was a mere formality; the verdict had been given before the evidence was heard. Indeed, the hon. member for Coast-Capilano (Mr. Davis) described the process in a statement made on December 12, 1962, and reported in the *Globe and Mail*, as follows. This is to be found in the evidence at page 260 and I want to read it to the house. He said this:

> The Columbia river treaty, the government tells us, is to be brought before the House of Commons and there it will be promptly referred to the house committee on external affairs. Various experts and a number of publicly minded citizens will be asked to testify before that committee. They must be heard and their suggestions will be treated seriously—so seriously, in fact, that the treaty may have to be changed in certain important respects. To ignore these witnesses and to brush aside their recommendations would be folly; not only that, but it would make a mockery of parliament. Why bring the Columbia treaty before your elected representatives if it cannot be changed in any way? And why shy away from making changes which are in our national interest? After all, we have to live with certain aspects of this treaty for a long, long time.

The hon. member made that statement in late 1962 and it is just as applicable now as it was at that particular time.

Mr. Martin (Essex East): You should read the whole speech.

Mr. Brewin: If the minister will make sure that I get extra time, I might think of reading the whole speech; I think it would be very helpful to the house.

Mr. Herridge: Get the hon. member for Kootenay East (Mr. Byrne) to read his, too.

Mr. Brewin: The issue is this, and it is an important one, Mr. Speaker. I appreciate the fact that it is constitutional practice in this country that the treaty-making power is vested in the executive, but the Right Hon. Mackenzie King, who I suppose would be regarded as something of an expert or an authority by members of this house, had this to say. I am quoting from "The Art of the Possible", a book by Professor James Eayrs, at page 106. He was quoting Mr. Mackenzie King in the House of Commons:

> The day has passed when any government or executive should feel that they should take it upon themselves, without the approval of parliament, to commit a country to obligations involving any considerable financial outlays or active undertakings.
>
> In all cases where obligations of such a character are being assumed internationally, parliament itself should be assured of having the full right—

I underline those words:

> —of approving what is done before binding commitments are made. I would not confine parliamentary approval only to those matters which involve military sanctions and the like. I feel parliamentary approval should apply where there are involved matters of large expenditure or political considerations of a far reaching character.

I know the Secretary of State for External Affairs will say, "Oh, well; we have submitted this to parliament"; but it was submitted to parliament under conditions in which parliament could have no opportunity, unless it wished to throw out the government, to do anything more than rubber stamp the treaty. I suggest it is time serious consideration were given to deciding whether or not, before the final details of a treaty of this sort are negotiated, this treaty should be submitted to a committee for external affairs and examined, so that, the evidence having been taken, parliament and its representatives would be free to suggest changes and would have some meaningful participation in that treaty. This is the situation, of course, in the United States, where the Senate can attach riders. We think there should be the same situation here.

I think I have only a very few minutes left, Mr. Speaker, and I do not propose to go into any detail in describing this particular treaty. As a matter of fact, it has been described very much better than I could describe it by the hon. member for Coast-Capilano and will see if I can find the words that he used in speaking of this particular treaty. Because he was a little sensitive and said I did not quote him correctly before, I will try and get the exact words that he used.

Mr. Martin (Essex East): This was before the protocol, was it not?

Mr. Brewin: Yes.

Mr. Orlikow: And before the election.

An hon. Member: That is more important than the protocol.

Mr. Brewin: If the Secretary of State for External Affairs will be patient, I will deal with the protocol.

An hon. Member: The protocol was as a result of the election.

Mr. Brewin: I entirely agree with the hon. member who suggested that this was before the protocol and before the election; that is absolutely true. I am having a little difficulty finding the particular reference that I have in mind, Mr. Speaker, but I can remember what the hon. member said with perfect clarity, and he can tell me later if I have not quoted him exactly. What did he say? First of all he said this treaty was a fiasco; second, he said that the treaty was one of which no government could be proud; third, he said the treaty was a sell-out; fourth, he said it was an embarrassing treaty. Those are the words he used. I think I can give him the exact reference later, but I do not seem to have it in front of me at the moment.

Mr. Davis: Mr. Speaker, would the hon. member for Greenwood (Mr. Brewin) accept a question—just one question?

Mr. Brewin: My time is nearly up.

Mr. Davis: Would the hon. member say that a treaty which involved obligations and no conceivable source of revenue was other than a fiasco, a sell-out, and so on?

Mr. Brewin: I will say this to the hon. member, Mr. Speaker, that the points to which he objected have not been in any way changed by the protocol.

Mr. Davis: And the sale.

Mr. Brewin: The only difference in relation to the sale is that instead of getting power we are getting cash; but the basic objections the hon. member had—and I think they were good objections—have not been altered by the protocol at all. I say that even though his words were used in different circumstances, they are absolutely applicable today. We accept them and we ask this house to reject a treaty which has been described by one whom I think is the best qualified member on the Liberal side of the house to deal with this matter as a sell-out and a fiasco. In addition to that, Mr. Speaker, this treaty is one that should be renegotiated.

I just wish to conclude by moving, seconded by the hon. member for Kootenay West (Mr. Herridge), the following amendment:

> That the resolution before the house be amended by adding thereto the following words:
>
> "Subject to the negotiation of a further protocol or an exchange of letters clarifying the right of Canada to divert up to 6,000 c.f.s. or 5 million

acre feet annually from the Columbia river for the beneficial use of the prairie regions and for multiple-purpose use of water so diverted".

I would say in conclusion, Mr. Speaker, that this amendment will clarify the right of diversion which the minister says already exists but which is of very serious concern to many Canadian citizens.

Mr. Turner: On a point of order, Mr. Speaker, I want to take the position that the amendment is out of order and should not be accepted by Your Honour, and I have two main arguments in support of this contention. The first is a constitutional one which, before I go into it further, might be summarized as follows, that the treaty making or treaty negotiating function is an executive act, that it is a prerogative of the crown going back to the very early days of British parliamentary democracy and is now exercised by Her Majesty's government both in the United Kingdom and in Canada; that to suggest an amendment to a treaty or protocol or to suggest a further protocol or exchange of letters, as my hon. friend suggests in his amendment, is not within the competence of parliament; that parliament's rights in respect of the treaty making function are limited to the general matter of confidence, that is to say, either rejection or approval of the resolution, and that any such amendment is an infringement of the executive power as recognized under British parliamentary traditions.

My second argument is a procedural one based on what I submit to you is parliamentary practice. It is that the amendment of such a resolution in the form introduced by the hon. member for Greenwood is in effect a negativing of the resolution, the resolution being simply one calling for either approval or rejection, and that any conditions attached to it would in effect negative it. Since under the rules of the house it is not admissible to introduce an amendment which negatives the main resolution I submit that Your Honour should not admit it.

I should like to expand on these arguments and quote my authorities. I said that the treaty making or treaty negotiating power is an executive act and that in Canada the power to negotiate and conclude treaties having to do with acts of an international character is a part of the executive prerogative which in Canada is exercised on the advice of the Secretary of State foı External Affairs.

[Mr. Brewin.]

As the negotiation and conclusion of treaties is an executive act there was, strictly speaking, no legal obligation upon the government to consult parliament because legislative approval is not constitutionally a part of the ratifying process. Nevertheless it has been the practice of Canadian governments for many years to ensure that all treaties, other than minor administrative arrangements, are brought to the attention of parliament in one way or another. This has generally been done by tabling the treaty and, in the case of particularly significant agreements, referring the treaty to the standing committee on external affairs. After approval of the standing committee on external affairs, if this is forthcoming, the committee report is tabled in the House of Commons as has been done in this case, and then a joint resolution of the house and the other place such as the one before us is moved by the responsible minister asking for approval of the treaty.

I might say that since the standing committee on external affairs was set up in 1945 only nine treaties have come before this house, of which eight were approved and one was withdrawn by the government. In no case, to the best of my knowledge, was there any amendment to the resolution calling for approval of ratification, and therefore no such amendment was accepted.

My authority for saying that the treaty making process is purely an executive act may be found in a book by Professor Hendry, professor of law at Dalhousie university, entitled, "Treaties and Federal Constitutions", published in 1955. On page 62 Professor Hendry states the position clearly in these words:

In Canada, the executive power in the central government in foreign affairs is indefinite.

At page 74 he says:

Legally, the capacity of the executives of the states of Canada and Australia is unrestrained except by the limits of the prerogatives, the doctrine of "acts of state" and their constitutions. In neither state is there any rule of law or convention which requires the executive to seek prior approval from any organ of government before initiating negotiations, signing, and ratifying treaties.

McNair in his classic, "The Law of Treaties", says at page 68:

Our constitution is the net result of the operation of the common law, of a number of important statutes, and of a large and still growing body of constitutional usages or 'conventions' (not in the treaty sense), as they are usually called. The organ in which, constitutionally, the treaty making

power resides is the crown, that is, Her Majesty, acting upon the advice of her ministers. It is the crown which in virtue of the royal prerogative issues full powers for the negotiation and signature of treaties and ultimately ratifies them when ratification is necessary, or grants the necessary authority for the negotiation and conclusion of the less formal types of international agreements. As we have already seen, the monarch, being a constitutional monarch, for more than two centuries has possessed no power, except upon the advice of his ministers, to bind his country by treaty.

Then on page 115 of the same treatise he says:

Generally speaking, the law and custom of treaty making which have prevailed in the United Kingdom for many years—

I might interject that this law and custom have been accepted and appropriated by Canada.

—have now been adopted by the other commonwealth countries; their constitutions for the most part mention treaties either barely or not at all; and upon such questions as when the approval of parliament or new legislation is required, or when a treaty should be ratified, for the most part they share the views of the United Kingdom.

In other words, Mr. Speaker, in citing United Kingdom precedents I submit I am on good ground. I should like to refer to a Canadian book, the fourth edition of R. MacGregor Dawson's, "The Government of Canada". At page 102 the late MacGregor Dawson has this to say:

There has been no uncertainty regarding the powers of the dominion and the provinces so far as the negotiation of treaties with foreign countries is concerned. This was originally the function of the crown acting through the British government, and with the growth of dominion self-government it has gradually come under the control of the government of Canada.

At pages 221 and 222 Dawson had the following to say:

Finally, the cabinet performs collectively a wide variety of explicit executive acts, usually in the name of the governor in council and on the immediate initiative of the prime minister. A number of the more important of these acts are listed below:

The fourth on the list is the following:

The participation in international affairs by the appointment of plenipotentiaries, the issuing of instructions to those plenipotentiaries, the ratification of international agreements and treaties, etc. Parliament may be consulted and even asked to approve international agreements and treaties, but this is largely a matter of convenience and political strategy; the actual ratification is purely an executive act.

Some agreements and treaties (such as a commercial treaty to alter the tariff) will, of course, need later legislative action to carry their terms into effect.

My first argument, in summary, is that by suggesting an amendment to the resolution, by making ratification subject to the negotiation of a further protocol or a further exchange of letters clarifying what the hon. member for Greenwood (Mr. Brewin) considers to be the lack of clarification about the right of diversion, which we on this side do not accept, the hon. member is in effect moving an amendment which is, in my view, an invasion of the traditional parliamentary prerogatives of the government under our British parliamentary system. It is, therefore, out of order.

Mr. Knowles: Will the hon. member permit a question? If such a move is an invasion of the prerogatives of the executive, is it not an invasion of the prerogatives of the executive to discuss it at all even on a motion in the name of the government? Why is it before us?

Mr. Martin (Essex East): Because that was the commitment of the government.

Mr. Turner: May I say that the fact the treaty and protocol are before parliament has been a waiver, to that particular extent, of the prerogative to which the government, in terms of practice and convenience, is entitled. The waiver of that prerogative for the purpose of submitting the protocol in this form does not, in any way, waive the prerogative of the government in negotiating treaties.

In addition, as the minister has suggested, there was a commitment of the government so to do. In answer to the hon. member's specific question, although the prerogative was waived so as to present the treaty to the scrutiny of parliament and a standing committee, that waiver does not go beyond the submission of that treaty or protocol.

Mr. Douglas: It is just window dressing.

Mr. Turner: This is my argument on the first of the two branches of my argument, Mr. Speaker, that is the constitutional position.

The second branch of my argument relates to parliamentary practice. If I may, I should like to refer Your Honour to Beauchesne, citation 202. It is clear, looking at the 12th paragraph of that citation which appears on page 170, that an amendment proposing a direct negative, though it may be covered up by verbiage, is out of order. I suggest that since this resolution calls for approval or rejection, any contamination of the resolution is, in effect, the negativing of the resolution.

I should like to draw attention to paragraph 14 of the citation. I quote:

> An amendment which would produce the same result as if the original motion were simply negatived is out of order.

The effect of the amendment proposed by the hon. member for Greenwood would be to negative the resolution because the resolution calls for either approval or rejection of the treaty. Any contamination of the resolution is a negativing of it.

Then, if I may, I should like to draw Your Honour's attention to paragraph 15 of that same citation. I quote:

> An amendment approving part of a motion and disapproving the remainder is out of order.

I suggest, with respect, this is what the hon. member's amendment is trying to do. It approves the treaty and protocol subject to certain further clarification so, by inference, it approves part of the resolution and disapproves another part. The citation goes on to refer to an incident which occurred in this house on October 20, 1932 when the prime minister at that time moved that the house approve a trade agreement entered into between Canada and the United Kingdom. An amendment was moved that the house welcomed certain terms of the agreement and condemned several features of it. I quote:

> The Speaker ruled it out because (a) the portion of the amendment which approved the agreement was useless as it suggested no change in the main motion, and also, (b), an amendment to disapprove what the main motion approves is nothing but an expanded negative.

This incident occurred in 1932, Mr. Speaker, and I should like to refer to *Hansard* containing the debate at this time. It is found in volume I of the session of 1932-33 at pages 386 and 387. At that time the trade agreement between Canada and the United Kingdom was before the house and the Hon. J. L. Ralston, who was then the member for Shelburne-Yarmouth, moved an amendment to the resolution which called for ratification of the agreement, but amended it in five ways. Paragraph 4 of the amended resolution was similar in form to the resolution introduced by the hon. member for Greenwood and stated, in effect, that the house was not satisfied with the ratification of the agreement and suggested some additional assurances be sought. Mr. Speaker said:

> Paragraphs 4 and 5 affirm general principles which cannot be moved as amendments to motions of this sort but which could be moved on other occasions.

[Mr. Turner.]

Now, Mr. Speaker, basing myself on these two arguments and also on the fact that before the committee the hon. member had a full hearing of the particular argument which he has introduced in the house this afternoon, I would ask Your Honour to rule the amendment out of order and inadmissible.

Mr. Brewin: I rise on a point of order, Mr. Speaker. The contention put forward by the hon. member would have the effect of seriously limiting the sovereignty of this parliament. What he says is true, that the executive has initially the treaty making power, but in accordance with the very salutary observation of the former prime minister Mackenzie King, governments of the day have not exercised that prerogative and have seen fit to submit to parliament for ratification or approval the treaties that the executive can make. I concur in the view that they are not bound to do so. However, once they have done so, there is no limitation upon the power of parliament to deal with the matters submitted to it. It can accept them, reject them or attach whatever terms it likes. To argue in any other way makes a mockery of the submission to parliament.

I, for one, contend strenuously against the argument that once a matter is laid before parliament, then parliament's hands are to be tied; we are not even to be allowed to suggest to the government a formula amending the resolution for clarification of the treaty that is being made. I suggest that if the words of a former prime minister of Canada, Mr. Mackenzie King, which I quoted earlier, are to be taken seriously, namely that parliament should have the full right to inquire into these matters, then the arguments my hon. friend made are wrong.

Now, Mr. Speaker, he said that in a number of cases where treaties were introduced into parliament, where approval had been asked for from parliament, there has been no instance of an amendment having been made. The answer to that, then, is that there is no precedent in respect to it and you, Mr. Speaker, are faced with the obligation of deciding this as a new matter; and I urge that you should not make a decision limiting parliament's rights.

The second point is that the amendment negatives the original resolution. I submit there is nothing in that point at all. The amendment accepts the resolution, and it merely adds a proviso which is well within

the terms in the acceptance of the original treaty. It is provided for in article XIII of the treaty that there should be no diversion, except those specified, without the consent of the other party, evidenced by an exchange of notes.

All that this amendment asks is that within the terms of the treaty an exchange of notes be sought in order that the particular problem of diversion—one of very grave importance to many hundreds of thousands of Canadians —be clarified within the terms of the treaty as they stand. There is no negative; there is no rejection of the treaty, and I suggest that the very learned authorities which my hon. friend has given to you, Mr. Speaker, while interesting have no relevance to the particular problem that faces us here.

We have a new situation—a treaty submitted for the approval of this house; and if consistent with that treaty we as a parliament are not allowed to suggest an amendment which would clarify and develop something within the treaty, then we might as well not bother with the formality of submitting treaties to parliament at all.

Mr. Baldwin: On the point of order, Mr. Speaker, I am reluctant to go all the way with the parliamentary secretary on the first point he raised as to the powers of the executive. He and I have already parted company in that connection during a debate in the house with regard to the federal government as opposed to the federal parliament on the Eskimo issue.

Again I am driven back to section 12 of the British North America Act which defines what are the powers of the executive. I shall just give the gist of it. It simply says that the powers of the governor in council of Canada shall be equivalent to those of the lieutenant governors in council or of the parliament of the United Kingdom as of the time of the enactment of the British North America Act in 1867, and the section ends up by saying that it shall apply until "abolished or altered by the parliament of Canada".

So, to find out what are the limitations of the powers of the executive we are compelled to look at the situation which existed in the respective legislatures of the provinces which formed confederation, and of the parliament of Canada, and I would be reluctant at this time to agree wholeheartedly with the parliamentary secretary on that particular point.

However, I think he is on much sounder ground on the second point he raised with regard to the practical difficulty facing the hon. member for Greenwood (Mr. Brewin) in moving an amendment. The citation referred to by the parliamentary secretary is quite correct. In effect it says that in a resolution of this kind any attempt to amend, by introducing a suggestion of what is included in the original resolution, is quite wrong, because you secure that effect by voting for it. Any attempt to alter, change, modify or in any way divert from the original resolution is wrong because you are in effect attempting to negative that part of it, and you achieve that effect by voting against the resolution. This is one of the very unfortunate difficulties for anyone proposing to move an amendment to a resolution of this type, and it may well be that in considering our procedural problems we may have to give some consideration to this.

I sympathize with the hon. member for Greenwood who said if what the parliamentary secretary says is correct we are in a dilemma in this house because we have no means, no method, of trying to arrive at amendments of this kind. However, this is not the point now. Your Honour is faced with the established rules and practices of the house, and I submit that the argument made by the parliamentary secretary is quite correct. May I just add to that one or two citations on the second point. This is from Beauchesne's Parliamentary Rules and Forms, third edition, as I have not got the current one. On page 580 the head note reads:

> On the motion that an address be presented to the King for amendments to the British North America Act, it is out of order to propose amendments dealing with other matters than those mentioned in the address.

I think this is generally along the same point. The amendment here states:

> Subject to the negotiation of a further protocol or an exchange of letters clarifying the right of Canada to divert up to 6,000 c.f.s. or 5 million acre feet annually from the Columbia river for the beneficial use of the prairie regions and for multiple-purpose use of water so diverted.

Apart from the merits of this, which may serve a very excellent purpose, my submission, from what I have read and examined in the treaty and protocol and the documents which follow it, is that this would achieve an effect distinct from the effect the protocol provides, and as such it is proposing something completely distinct. I submit that the only resource which the hon. member has is to vote against the treaty. It may be unfortunate that that is all he can do, but under

our rules as they now exist this is the situation, and to that extent I support the position taken by the parliamentary secretary.

Mr. Knowles: Mr. Speaker, the hon. member for Greenwood (Mr. Brewin) has already stated that you are faced with a ruling on a new situation, for if the hon. member for St. Lawrence-St. George (Mr. Turner) is correct, that on no previous occasion of this kind has any amendment been offered, then this is the first time the Chair will have had to rule on this point.

Mr. Martin (Essex East): In this debate.

Mr. Knowles: According to the parliamentary secretary this will be the first time in Canadian history.

Mr. Martin (Essex East): No, no.

Mr. Knowles: The Secretary of State for External Affairs (Mr. Martin) shakes his head and says no, but if he knows of an occasion when a resolution to ratify a treaty was subjected to an amendment he should so inform the hon. member for St. Lawrence-St. George.

Mr. Martin (Essex East): On four different occasions.

Mr. Turner: On the point of order, I would draw to the attention of the house that an attempt was made to amend the agreement between the United Kingdom and Canada in 1932, and the Speaker rejected the amendment.

Mr. Martin (Essex East): There were three other occasions before that.

Mr. Knowles: The parliamentary secretary said this was the first time in the history of the country, in the case of a treaty.

Mr. Turner: The first time since 1945, when the standing committee on external affairs had been set up.

Mr. Knowles: All right, that creates a new situation for Mr. Speaker. The parliamentary secretary to the Minister of Northern Affairs and National Resources says that the full power to make and ratify treaties rests with the executive and that the executive does not need to bring the matter before parliament. He quoted MacGregor Dawson on this point, and apparently he quoted with approval Dawson's suggestion that this is sometimes done for convenience and political strategy. I suppose it is under that heading that this has been done.

[Mr. Baldwin.]

Mr. Martin (Essex East): No.

Mr. Knowles: At any rate the hon. member for St. Lawrence-St. George rests his case on the proposition that the executive did not need to bring this matter before parliament.

Mr. Martin (Essex East): In law.

Mr. Knowles: Then he said that the executive had waived its prerogative, that it had waived its right to do it on its own. I submit that either the executive should have done this entirely on its own without bringing the matter before parliament at all or, if the question were brought before parliament, parliament should be allowed to decide whether or not it has the right to express an opinion. This, it seems to me, is the point with which Your Honour has to deal. It is not for you to accept the word of a parliamentary secretary as to how far the government is prepared to waive its rights. Let parliament express an opinion. The government says parliament may say yes or no. But the matter is before parliament and surely it is in our hands to decide how far parliament may express an opinion.

I have a copy of Beauchesne here and I am interested in what is said on page 232. This is the second paragraph of citation 284, and it reads as follows:

> When a treaty, which does not involve fiscal changes or the expenditure of public moneys,—

And, presumably, this would include the present one because we have had no motion involving the expenditure of public moneys placed before us.

> —has to be approved by parliament, a bill to that effect must be passed—

If this is a treaty to be brought before parliament, then obviously we need a bill, not just a resolution. However, the citation goes on:

> —as parliament can only express its opinion by the joint consent of its three constituent parts, namely the crown, the Senate and the House of Commons; but the adoption of a resolution is not required before introduction of that bill.

That last phrase is obviously precautionary, since the bill in this case refers to a treaty not involving the expenditure of public money. The quotation continues:

> Notice is given under standing order 41 and the bill goes through its ordinary stages. On the second reading a member may move either the six months hoist or an amendment declaratory of some principle adverse to, or differing from the policy of the bill or expressing any opinion as to

the circumstances connected with the conclusion of the treaty. The main debate on the treaty should take place on this motion for the second reading of the bill. As to the other stages of the measure, procedure follows its ordinary course.

I recognize that we do not have a bill before us; we have only a resolution.

Mr. Martin (Essex East): Oh.

Mr. Knowles: The secretary of state says "Oh". Why does he not stand up and say what he has to say so as to get it on the record a little better?

Mr. Martin (Essex East): This is an absurd argument.

Mr. Knowles: Despite the discomfort which the Secretary of State for External Affairs is suffering, may I point out that in this paragraph which refers to the bringing before parliament of a treaty there is a reference to ways in which parliament may express its opinion and, further, the suggestion is made in this paragraph of Beauchesne that when a treaty is brought before parliament in the form of a bill members have the right to move amendments on second reading so as to express opinions on the action connected with the adoption of that treaty.

Surely, this same right should apply if this is being done in the present foreshortened way? What we have before us now is not a bill. If the Secretary of State for External Affairs will possess his soul in patience he will see I am not pressing that we should have a bill. But I am saying that the rights which we would have if the government had brought in a bill, the right to put forward amendments expressing an opinion, should surely not be taken from us as a result of this device of bringing in a simple resolution.

Mr. Herridge: That is why this was done.

Mr. Martin (Essex East): You are hurting the argument of the hon. member for Greenwood (Mr. Brewin).

Mr. Knowles: Does the hon. member for Greenwood feel that way? No, he does not.

Surely, if there is any point at all in bringing this measure before parliament, parliament should be able to express its opinion. I do not know exactly what would happen if we were to turn down the resolution in the light of the statement made by the hon. member for St. Lawrence-St. George (Mr. Turner). He says the executive has full power. Well, the resolution reads:

That it is expedient that the houses of parliament do approve the ratification of the treaty—

And so on. Suppose we do not. If the executive has this power it could, surely, go ahead and ratify this treaty anyway. So the whole course, according to the author quoted by the hon. member for St. Lawrence-St. George, is being carried out for the convenience of political strategy—unless, of course, we are to be allowed to express our opinions.

It seems, therefore, that Your Honour should look at this point of order in the light of what is assumed to be the purpose of bringing this measure before parliament, namely to give an opportunity for parliament to express its opinion. The opinion which parliament expresses might be yes, or it might be no, or it might be "yes, subject to the government doing certain things". I submit that this is a legitimate opinion for parliament to express and that it has the right to do so, a right which should not be eliminated simply because the hon. member for St. Lawrence-St. George says the government will waive its rights, but waive them only so far.

Mr. Turner: Perhaps if I might reply briefly—

Mr. Deputy Speaker: The hon. member has already spoken and I am afraid he cannot speak again at this point.

Mr. Knowles: Perhaps he could ask me a question before I sit down.

Mr. Deputy Speaker: Yes; perhaps he could put his contribution in the form of a question to the hon. member for Winnipeg North Centre.

Mr. Turner: Thank you. I should like to ask the hon. member whether he does not think importance attaches to the first paragraph of the citation from Beauchesne to which he referred—the paragraph which begins:

When it is required, either by statute or by the terms of a trade agreement, that the agreement be approved by parliament—

This is what leads to the necessity for a bill—where the measure falls within those terms because the bill involves a statutory duty on the part of the government, or a fiscal change arising from an imbalance of ways and means. I ask the hon. member whether his argument is not altered accordingly? When a bill is presented which involves an imbalance of ways and means it would be subject to all the openings for amendment which are possible with regard

to a bill of that type, whereas in this particular case we have a simple resolution before us.

Mr. Knowles: There were two reasons why I read only the second paragraph of citation 284 rather than the whole of it. The first is that the citation is very lengthy, and the other is that the first paragraph had to do with trade agreements, while the second had to do with treaties. What is before us is not a trade agreement, or at least I do not think it is. Maybe it is. What is before us now is a treaty, and it seems to me that while paragraph 1 does not apply, paragraph 2 of the citation does apply. However, as I pointed out, I was not arguing that we should have a bill. I was pressing, though, that we should have in a resolution the same right as is accorded in the case of a bill, namely, the right to express the opinion of parliament, whatever that opinion might be.

Mr. Gelber: It seems to me that the rights of parliament—

Some hon. Members: Five o'clock.

Mr. Deputy Speaker: Does the house wish to call it five o'clock?

Some hon. Members: Yes.

Mr. Deputy Speaker: Or do hon. members prefer to hear a ruling?

Mr. Scott: I have some remarks to make on this point. I would prefer that you call it five o'clock.

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

PRIVATE BILL

CONSIDERED IN COMMITTEE—THIRD READING

Bill S-11, to incorporate Canadian Conference of the Brethren in Christ Church—Mr. Greene.

MOTIONS FOR PAPERS

MODELS FOR CANADIAN FLAG

The house resumed, from Thursday, May 28, consideration of the motion of Mr. Smallwood:

That an order of the house do issue for the production of all flag designs or models which have been received by the Prime Minister, members of the cabinet or the government, as models for a Canadian flag.

[Mr. Turner.]

Mr. J. B. Stewart (Parliamentary Secretary to Secretary of State): Mr. Speaker, this motion is one in which I know the hon. member for Battle River-Camrose (Mr. Smallwood) is deeply and intensely interested. I think we ought to explore the implications of the motion rather fully before we take a vote on it. The argument on which he based his motion was that it would be desirable to empanel a committee of the house, made up of the Prime Minister (Mr. Pearson), the Leader of the Opposition (Mr. Diefenbaker) and several members from both sides of the house, that these gentlemen would screen the designs or models submitted, and then take a few of the designs or models submitted to a federal-provincial conference. I do not wish to attempt to negate that particular argument in favour of passing this motion. The truth of the matter is that a great number of designs and models have been submitted. Many of these are obviously the result of a great deal of interest in the question of a new Canadian flag. One has only to inspect some of these designs and models to see what loving care has been lavished on this particular project which is so dear to so many loyal Canadians both in this house and throughout the land. Many of our citizens are keenly concerned with the establishment of a Canadian flag, as the large number of designs shows. The models are elaborate in many instances, and they appear on all kinds of fabric. They appear on paper, on bunting, on nylon, and, as the Minister of Justice (Mr. Favreau) told us last week, even on plywood.

It is true that a committee of this house has not examined all those designs and models, but no one should think that the keen interest displayed by these patriotic Canadians has not contributed greatly to the development of the discussion on a new flag to the point which that discussion has now reached. These artists have been interested in a new flag, and they have displayed their interest in a most tangible and useful way. I think we are all deeply in their debt.

Last Thursday, when arguing against the adoption of this motion, the Minister of Justice was particularly concerned with one of the two possibilities raised by this motion, namely that copies or reproductions of these designs and models should be made.

Mr. Churchill: Why?

Mr. Stewart: I am asked by the hon. member for Winnipeg South Centre (Mr. Churchill) why the minister should be concerned

with this possibility. Well, Mr. Speaker, this possibility was raised by the hon. gentleman who sponsored this motion. It was raised as one of the ways in which the object of this motion could be satisfied. As reported in the middle of page 3697, interpreting his own motion—and I assume he is the one most eligible to interpret it—he said:

> Possibly it would be difficult to make copies of all of them and table them—

In other words, he is admitting that that is a possibility.

> —but I would suggest that the originals be tabled.

Therefore we have two ways of interpreting this motion, and the Minister of Justice was dealing with one of them, namely that they should be reproduced.

The minister argued that this would not be desirable, and I think that the sum of his rather elaborate argument—not being a lawyer I do not pretend to understand it all —is to be found at page 3703 of *Hansard*, where he is reported as saying:

> In other words, it is clear that if I, in the first place, were to create a work of art or make a design and if I submitted it as a suggestion, as long as I do not waive my copyright, as long as I do not grant permission to issue that design, I keep my copyright. It is not to be published. I am the only one entitled to decide whether or not the said design will be published or issued.

I think that was the sum of the argument made by the Minister of Justice a week ago. It was an argument against the reproduction of these models and designs.

Still on that same possible interpretation, I want to suggest to the house, when the house is considering the possibility of passing this motion, that great cost would be involved. I have inquired into this matter, and I am informed by the national film board, which proved to be the agency most suitable to undertake this kind of reproduction, that a rough estimate of the cost of reproducing approximately 3,000 flag designs in their original colours would amount to $45,870. The rough breakdown of the cost is as follows. There would be photographing with a 4 x 5 negative at a cost of $12,000. There would be proofs costing $3,450. There would be prints at $10 each, totalling $30,000. Then there would be the charges for a photographer at $60 a day for seven days, which would amount to $420.

Mr. Clancy: What are you selling—shares in a new company? Get on with the business. We don't want the cost.

Mr. Stewart: The hon. gentleman says he is not interested in the costs, but I am sure many hon. members of the house are.

Mr. Clancy: I asked, are you selling shares?

Mr. Stewart: An alternative procedure for reproduction would be to have the flags reproduced on slides. This would reduce the cost to approximately $18,000; but of course, if eventually actual prints from these slides were desired, the cost would mount again to something like the figure I mentioned previously. Consequently, I do not think that any hon. member, on consideration, would wish to propose this extensive expenditure in order to reproduce these models and designs.

I come now to the second possibility, which is that the originals be brought here in response to the motion now before the house. This would be a cumbersome process perhaps, but it would be physically possible. We could bring in the bales of designs and models. We could even bring in the plywood model.

But there would be, as I am sure you realize, Mr. Speaker, a great difficulty, which is a procedural one. Many of the authors who own these designs have requested that these designs be returned to them.

Mr. Clancy: Hear, hear.

Mr. Stewart: At page 180 of Beauchesne's fourth edition we find the following words:

> The custody of all papers and files is entrusted to the Clerk of the House and it is "at his peril" if he suffers any of them to be taken away without leave of the house. As the number of reports and returns laid on the table is too large for the Clerk to handle, a special branch was set up for that purpose in 1929. It keeps a register of all papers tabled and records the names of the members of parliament who may take them out. The general public may consult these papers in the presence of these clerks. Every member who takes out a report or return must sign the register. There are on the ground floor of the parliament building three large vaults with iron doors and combination locks for the safe-keeping of these papers. Once a document has been placed on the table and recorded in the *Journals*, it becomes the property of the house.

It is true, sir, that some of these designs and models do not appear on paper, but since this is a motion for the production of papers we are regarding these models and designs as being governed by the rules that would apply in the case of normal papers. As the citation to which I have just referred says:

> Once a document has been placed on the table and recorded in the *Journals*, it becomes the property of the house.

If these models and designs were produced as the result of the passage of this particular motion, they would undoubtedly become the property of this house, and would be in the unchallengeable possession of this house. In what position, then, would the Secretary of State be? The Secretary of State has been requested by many of the authors, who have been thoughtful enough to create these designs and models and transmit them to him, to return those designs and models; but if this motion passes the Secretary of State will not have those designs and models under his control—they will have passed into the control of this house. Obviously, sir, this would contravene the request of the authors who own the designs and models. This is the procedural difficulty against the production of the originals in this house.

Realizing the keen, intense interest of the hon. member for Battle River-Camrose (Mr. Smallwood) in seeing these designs and models, I have a suggestion. I suggest to him through you, Mr. Speaker, that the Secretary of State will be very pleased to display these models and designs to him in any number that he wishes to see. I expect he will wish to make a fairly close analysis of the nature of these designs and models. When this question of a new flag was before the house in 1945-46 some 2,695 models and designs were then considered. Since 1946 and up to May 15, 1964, 3,013 models and designs have come in. I ought to say that others have come in since the middle of May. There have been, since the middle of May, many displaying three maple leaves in various artistic arrangements. I think the hon. member for Battle River-Camrose, if he examined these 3,013 models and designs, would report that of these 359 bear the design of the fleur-de-lis, 408 bear in some point a union jack, and 389 display a beaver. There are some displaying various coats of arms, and 2,136 display a maple leaf design.

Mr. Winkler: Single, double or triple?

Mr. Churchill: Mr. Speaker, may I ask the hon. member a question?

Mr. Stewart: Yes, Mr. Speaker.

Mr. Churchill: Has the hon. member himself examined these designs, to give us the information that 2,136 display the maple leaf, or from where did he get that information? Also, is it the maple leaf only that is on these designs?

[Mr. Stewart.]

Mr. Stewart: I cannot say, Mr. Speaker, that I myself tabulated the number of flags displaying the maple leaf design.

Mr. Churchill: Would the hon. member permit a supplementary question?

Mr. Stewart: Yes, Mr. Speaker.

Mr. Churchill: Is the hon. member aware that the committee, which met in 1945 and 1946 and examined the 2,695 flags that he mentioned, reported that over 50 per cent of them had the union jack displayed on the flag in some place or other?

Mr. Stewart: I was not aware of that fact, Mr. Speaker. Obviously there has been a considerable change of opinion in certain sections of the country. I have one further point to make, and that is that anyone who accepts the invitation, which is cordially offered, to inspect this large number of excellent designs will be deeply impressed by the keen interest of many of our loyal Canadians in this matter of a new and distinctive Canadian flag. I am sure that even the hon. member for Winnipeg South Centre (Mr. Churchill) would realize the keen interest of these people in this important matter, and would wish to joint all hon. members in applauding the zeal with which these good citizens have devoted their time and energies to this most important subject.

Mr. Eric A. Winkler (Grey-Bruce): Mr. Speaker, I would like to take up a few minutes of the time of the house in contributing to this debate and supporting the request as contained in the notice of motion for the production of papers. You will note, Mr. Speaker, as will all hon. members, that the motion calls for an order of the house for the production of all flag designs or models. I believe that my colleague did not have in mind the reproduction of any of these symbols, but rather the originals. The hon. member for Antigonish-Guysborough (Mr. Stewart) suggested that it was an extremely costly procedure, involving some $45,870. I suggest to him through you, sir, that the government did not hesitate to spend $35,000 in pushing aside a film made by the C.B.C. about the Prime Minister, and therefore surely this small, additional sum of money for the information of the entire country could be spent, if need be. However, that is not the case. The hon. member, I know, asked for the production of the originals, and therefore I think this is what we must demand from the government at this time.

The parliamentary secretary suggested that it would be a cumbersome and difficult procedure to produce all these originals. Let me tell you, Mr. Speaker, that the Prime Minister (Mr. Pearson) also finds himself in a rather cumbersome position today in regard to his stand and because of the fact that his design was, very properly and technically, leaked at the right time. Perhaps now we could have a little leakage in regard to these 3,013 designs that are now on record. I say this because of the way the whole issue is taking shape in the country. Of course, the government side would have us believe public opinion is all their way. Perhaps we, too, believe that the whole country is seeing it our way. But for goodness sake, surely the country has the right to see all these designs, as well as the Prime Minister's design. Is the Prime Minister above the rest of the citizens of Canada in producing a design? I suggest that with the production of this number of designs—they could be displayed in the railway committee room, room 200, or some other suitable place—something of aesthetic value would result that would be more pleasing even to those on the government side of the chamber. Although the government is a little blinded right now by their own imposition of this design, I think they would see the light of day and would have a change of heart in regard to this question. As a matter of fact, I think they are having a change of heart right now. However, Mr. Speaker, I think the entire matter could be settled to the satisfaction of the house and the country if these designs were placed at our disposal, so we might look at what Canadians have seen fit to produce.

The hon. member for Antigonish-Guysborough went to great lengths in dealing with this matter. He mentioned the zeal and the great effort that was put into the production of these designs. This is all the more reason why we should see them. Canadians are very, very jealous of their position as citizens of this country, and therefore I do not think any of their suggestions should be cast aside for something that the Prime Minister in particular wants to present, together with a few of his cabinet colleagues. It is a difficult thing for a member of the opposition to rise and make a very pointed, critical argument about something we might have forced upon us because that might eventually become our national symbol.

I will tell you that the production of these designs is equally important to this country in that, within them, may lie the solution to problems that exist between the two founding nations, solutions of which the Prime Miinster (Mr. Pearson) has never thought. This argument applies to many other items of legislation that have been introduced into the house. The Prime Minister brings in his own ideas and then defers to somebody else. I will tell you that I believe somewhere in this group of 3,000 designs we may find something that may lend itself to the solution of the problems that are before us. I suggest to you, Mr. Speaker, that all of these people who submitted designs did so as a result of great feeling within their hearts. I do not suggest the Prime Minister did not have the same sort of feeling; but these people did not hire designers to do the job, although some of them may be designers, nor did they have consultants to say that this will suit this situation or that will suit that situation. They did it themselves.

I believe that this is all the more reason for the government considering the passage of this motion and producing the designs in their original form. We are not asking for anything that would be illegal. It has been made very clear that simply because these designs are copyrighted, they are not secret. I think the government should avail themselves of the opportunity of producing these designs and allowing the members of the house, the members of the press gallery and the people of this country to have an opportunity of seeing them, and thus perhaps solving the problem that faces us today.

Hon. Gordon Churchill (Winnipeg South Centre): Mr. Speaker, this motion is of great importance to the house and to the nation. It is quite obvious the government had something to hide or conceal or they would have immediately agreed to the passage of this motion when it was presented two or three weeks ago. What is wrong with having a public display of the designs for a national flag which are in the possession of the government? There is nothing wrong with it at all. However, the government will not let the people of Canada see these designs. We have to be satisfied with the one selected by the Prime Minister (Mr. Pearson). This is a form of dictatorship to which we are not going to submit in this country.

The design submitted by the Prime Minister, which has been leaked in advance, and so on,

was knocked together over a period of nine days by a few people. Some of the other designs that are in the possession of the government, and therefore in the possession of parliament, are the result of much greater care than that. Anyone who will take the time to read the committee report for 1945-46 will find out that a great deal of care and attention was put on the various designs that were submitted to that committee. Some of them, of course, were carelessly done, but others were done with a great deal of care and attention.

The hon. member for Antigonish-Guysborough (Mr. Stewart) has told us that there were 2,695 of these designs put on display in the railway committee room. They were seen by the members of the House of Commons at that time. They were examined, checked and voted upon until they finally eliminated all but two. There was a final vote and they made a choice of one. Surely, when this issue has been raised again in this country we should have a look at the designs that were produced in that period, in 1945-46.

What is the government attempting to hide? I suggest they are concealing from the people of this country designs that are superior to the one that was concocted just a little while ago and selected by the Prime Minister. I think there was faulty advice from the so-called experts in heraldry.

Mr. Bell: The hon. member for Leeds (Mr. Matheson), for example.

Mr. Churchill: The hon. member for Leeds, for example, who was written up as the parliamentary expert on heraldry. I am glad he knows a little bit about that. A very distinguished person, a man who has made a study of heraldry, has indicated that the present design is faulty. Mr. Beddoe, who is responsible for part of the design—he was not responsible for the blue border—misread or misinterpreted the proclamation setting out the coat of arms for Canada. So, you have experts in the field disagreeing. An attempt is being made, which I prophesy will fail, to foist upon the Canadian people a spurious flag improperly designed and based on a false interpretation of the proclamation determining the coat of arms of this country. If you can select from the coat of arms a sprig containing three maple leaves and say this will constitute Canada's flag, why can you not similarly and with equal reason select other designs from that coat of arms and make them into flags? It is just nonsensical reasoning that any portion of the coat of arms is automatically the design for a Canadian flag.

This is what we are being subjected to by this autocratic government. I regret very much that the hon. member for Antigonish-Guysborough should have endeavoured to leave the impression in the minds of members and of the public that of the over 3,000 flag designs submitted, two thirds of them showed the maple leaf. He would not go further until I asked him a question and discovered his ignorance of the committee report for 1945-46, and say that over 50 per cent of the designs submitted contained somewhere on the flag the union jack. When he mentioned that two thirds of them contained the maple leaf he should have said in conjunction with the union jack, and that would have been a clear statement of fact.

Mr. Stewart: I rise on a point of privilege, Mr. Speaker. I think the hon. member has misunderstood what I said. I was giving a breakdown, not of the designs submitted in 1945-46, but rather a breakdown of the designs submitted between 1946 and 1964. I am certain the hon. member did not understand.

Mr. Churchill: I do not want to misunderstand the hon. member. I thought he gave us the official figure and there were over 3,000 designs for flags in the possession of the government. Is he now telling us these have all come in since 1946?

Mr. Stewart: No, if the hon. member had bothered to listen he would have known precisely what I said.

Mr. Churchill: I was listening very carefully to the hon. member. Let us be quite fair about this thing. Am I right in assuming, and are hon. members of this house right in assuming that, including the designs submitted in 1945-46, there are now in possession of the government over 3,000 designs for a national flag; is that right?

Mr. Stewart: There are more than 3,000. If you include those two groups, those that came in between 1945 and 1946 and between 1946 and 1964; you would have a total of over 5,000.

Mr. Churchill: Well, now he has raised it to over 5,000.

Mr. Stewart: I have not raised it at all. If the hon. member had listened or if tonight he will read the record, he will find precisely what I said.

Mr. Churchill: We have got the figure up to 5,000 now. This is all the more reason why we should see these flags. Let us see the ones that were produced in 1945-46 and that were on display in the railway committee room.

Mr. Stewart: May I ask the hon. member a question? Does he know what happened to the flags submitted in 1945-46, concerning which he pretends to know so much?

Mr. Churchill: We have put a motion on the order paper for the production of these flags.

An hon. Member: Answer the question.

Mr. Churchill: Have they been destroyed? I do not know where they are. I do not know why the government is concealing them. Why are they concealing the choice in 1946? Why are they concealing this?

Mr. Stewart: Mr. Speaker, I want to know if the hon. gentleman is telling us he does not know that this house passed a resolution authorizing the return of those designs that came in during the period 1945-46?

Mr. Churchill: Well now, we are actually getting bits and pieces of information from the government. You have to drag it out of them. They won't come clean with anything. There is evasiveness, concealment and a lack of answers to questions. Now he tells us all these designs have been returned, so we have not 5,000 in the possession of the government. A minute ago he said that all those in before 1945-46 were returned, and they have only those that came in subsequently. Well, let us have a reproduction.

An hon. Member: Let us have a referendum on that reproduction. That will fix everything.

Mr. Churchill: These hon. gentlemen opposite are making just as much fun of the flag issue as the Prime Minister made of the threat to the lives of women and children this afternoon. Let us have a reproduction of the flag design that was chosen by the committee in 1946. That flag design had the union jack in the upper left hand corner, the red fly, and instead of the shield of the coat of arms it had a maple leaf with a white border around the leaf.

That committee sat for a great many weeks and looked at between 2,000 and 3,000 flag designs. It reduced the number of flag designs, first to 76, and then on down until it had six, then five, and right down to two, and after the most careful examination recommended the adoption of a flag similar to the present red ensign with a change in the shield. Why is this flag not produced so that we may have a comparison with the present flag, which has been flying in Canada for almost 100 years, and with this monstrosity which the Prime Minister has selected and blackmailed his party into accepting, and is trying to blackmail the people of Canada into accepting?

It may well be that the flag selected by the committee in 1946 would be a satisfactory flag under present circumstances. All the people who want the maple leaf on the flag have it in that flag, and those who want a little more white on the flag have it in the flag selected by the committee in 1946. Why cannot we see it? Oh no, you ask them to produce something and the Minister of Justice gives a legal argument, goes away back for a reference to 1884, and then says anything that has lasted for that long is sacred. How about the Canadian flag which has been flying in this country for almost 100 years and should have the respect of all Canadians, instead of being discarded in the way the Liberal party is discarding it, throwing it into the dust bin, and at the whim of a Prime Minister who is acting more and more like a dictator?

I am supporting this motion for the production of the flag designs in the possession of the government, for a reproduction of the flag design that was selected by the committee in 1946, and then let us see if we cannot get a solution to this problem. There are a great many people in this country who are greatly concerned over the Canadian flag. There are a great many people in the country who would not oppose a slight modification of the present flag with regard to the coat of arms, and if a suitable design, with the maple leaf there instead of the coat of arms, has been designed it could be produced and might find general acceptance.

But no, this government says to the Canadian people and to this house, take it or leave it. The Prime Minister says, "This is my design. I have flown it for two days up at Harrington lake and I think it is wonderful, and therefore everybody else must think it is wonderful." I say this is the wrong approach to an issue which will divide this country as no other issue has divided it. Here is our very modest request. Let us in on some of these secrets.

The government is dealing with the flag of Canada and it has thousands of designs. Some of them may be better than the one I have mentioned. I do not know, I have not seen them, but why should we not see them? Why should the people of Canada not have a chance to see these flags, or reproductions of them, and make their choice? Then perhaps according to the general attitude that has prevailed in Canada for so many years some compromise might be worked out, and not this frightful atrocity which the Prime Minister like a sawdust Caesar reminding me of Mussolini, is attempting to ram down our throats, trying to force this country to accept his personal choice for a flag.

All we are asking is, let us see the designs of the flags in the possession of the government and give the house a chance to formulate an opinion with regard to this issue. But that is denied by this government that denies so much information to this house and to the Canadian people.

Mr. Stewart: I wonder if the hon. gentleman would permit a question. I wonder if he would tell me if I am correct in assuming that he did not understand me—that would not surprise me—when I suggested to him that he, along with any other hon. members, could come along and inspect these flags which are in the possession of the Secretary of State? There is no objection to this whatsoever. Am I correct in understanding he did not see through what I said?

Mr. Churchill: Well, I understood the hon. member, but he seldom speaks very clearly. Fortunately I was alert enough to understand him. He is suggesting, "Go and call on the Secretary of State and privately he will show you the flags." Why not invite everybody? It would be simpler for the Secretary of State to come over here with his flags than for use to go individually to see them. This is one of the silly suggestions which I thought would not come from an hon. member for whom I had a high regard.

Mr. Stewart: I will drive you over in a car; you won't have to walk.

Mr. Churchill: So little concerned is the government with this issue, so bent is it on forcing this on the Canadian people that the ministers are not even in the house when the question of the production of flags is debated. This is a complete disregard for parliament, reminiscent of the days of 1956, an autocratic, arrogant, Liberal party that wants to destroy parliament.

Well, Mr. Speaker, at least that produced one minister, but it is under compulsion. That is the way we have to drag them in.

Mr. Sharp: On a point of order, Mr. Speaker, the Prime Minister called me to the telephone. I regret my absence.

Mr. Churchill: Well, it is not abnormal for people to have calls to the telephone when they want to get out of the house, because a debate is going on which they do not like. Because I was criticizing the government the minister did not defer the telephone call, as he might have; but no, he had to rush out. However he has come back under compulsion and we are glad one person is here representing this ineffective government. There is one confused member of the government present, instead of the whole crowd.

An hon. Member: Here they come.

Mr. Churchill: We are glad to see them. To get back to what is really a very serious matter, the production of these designs is desired by this house and I think this would be desired by people generally across Canada. Let us not just discard a flag which we have known and loved, which has been flying in this country for 100 years, and substitute another flag, the personal choice of the Prime Minister, without seeing these other designs on which the hon. member for Antigonish-Guysborough (Mr. Stewart) said people had worked with loving care. Why should we not show our appreciation of their interest by seeing the designs?

The Acting Speaker (Mr. Batten): I must interrupt the hon. member and advise him that the time allotted to him has expired.

Mr. D. S. Macdonald (Parliamentary Secretary to Minister of Justice): Mr. Speaker, surely the speech just concluded has been one of the most foolish we have heard—

Some hon. Members: Oh, oh.

Mr. Macdonald: One does not expect very much from the hon. member for Winnipeg South Centre (Mr. Churchill) but we can be assured that when a poorer speech is made in this house that hon. member will make it.

Mr. Churchill: I don't want to compete with you.

Mr. Macdonald: It is distressing to hear a long standing member of this house, a privy

councillor, a former member of a government—not a very illustrious member, but a former member—get up and suggest to the government that it should break the law, that it should trample on private rights by disclosing designs which have been submitted to the government in confidence.

Mr. Bell: Well, you did in 1946.

Mr. Macdonald: I would point out to my hon. friend that in 1946 the designs which were submitted to the parliamentary committee were submitted subject to the express right of that committee examining them and making them public.

Mr. Bell: Is the hon. member not aware that some other designs were made available to that committee that had no connection with the actual presentation of the committee? Some old designs that were around were also brought forward at that time, in 1946.

Mr. Macdonald: I do not really see that the hon. member's question is relevant. May I point out that the Minister of Justice referred last week to the fact that there was a copyright vested in these designs. May I also point out that there is a further property right arising at common law and in addition to copyright and that there would be ground for action by the individual concerned against the government if these designs were produced without consent in writing from the owners. I might refer to the Canadian law on copyright as discussed by Dr. Fox on page 53 where he points out:

> Copyright, which is statutory, and the right of property in original works at common law, are two quite different rights.

And at page 67 he says:

> It is clear that an author's incorporeal copyright in an unpublished work is something quite separate and distinct from the physical manuscript itself.

And it is further pointed out:

> That the right of an author of an unpublished literary production is not confined to the paper or other material on which the work is written. "His right is an exclusive right to publish or refrain from publishing it, as he may please, and anyone who publishes it without his consent infringes his legal right, and does that which is actionable per se."

As I say, it is shocking to hear a former minister of the crown, a privy councillor, get up in this house and say we should ignore private rights and abolish private property—that the government should forget the law and do what this motion requests. I submit to all hon. members that they should take the opportunity this afternoon of voting this detestable motion down.

Mr. J. J. Greene (Renfrew South): With regard to the address of the hon. member for Winnipeg South Centre (Mr. Churchill) I will only say, at the outset, that I was surprised to hear that the hon. gentleman had declined to attend at the office of the Secretary of State (Mr. Lamontagne) in order to view these flag designs, as he was so cordially invited to do.

I would point out that the Secretary of State now has various aspects of culture in our country in his domain and I can think of no member who could benefit more from rubbing shoulders with just a little culture than the hon. member for Winnipeg South Centre. If he does finally accept the cordial invitation extended to him, may I suggest he take with him the hon. member for Joliette-L'Assomption-Montcalm (Mr. Pigeon) who would also have a great deal to gain from an encounter with a little culture.

Mr. Pigeon: On a question of privilege. In our party we express our opinions and we are not slaves, as they are on the Liberal side.

Mr. Greene: If sitting on this side of the house is slavery and if following the hon. member for Joliette-L'Assomption-Montcalm is freedom, then thank goodness for slavery. He is free to be foolish.

I was also more than a little surprised to hear the hon. member for Winnipeg South Centre use the words "a frightful atrocity" with reference to the proposed flag, a flag which has embodied in it the royal coat of arms for Canada as designated by His Majesty King George V in 1921. I never thought I would see the day when a member of this house would refer to Canada's coat of arms as a frightful atrocity.

Some hon. Members: Shame.

Mr. Churchill: I rise on a question of privilege. I never mentioned the coat of arms as being a frightful atrocity. I said the flag design selected by the Prime Minister was a frightful atrocity. It is only the flag of Guatemala with a superimposition on it.

Mr. Greene: The hon. member is splitting hairs, or splitting the flag, or what have you.

An hon. Member: He has no hairs left to split.

Mr. Greene: Quite correct. If the hon. member were splitting hairs he would not have

much to split. Nevertheless, I do suggest it is a most disgraceful exhibition for a former minister of the crown to refer to a flag which is essentially composed of Canada's royal coat of arms, given by royal decree, as being a frightful atrocity. Then, too, when the hon. gentleman referred to this flag as being someone's personal choice he is again denying the fact that the essential component of the design is Canada's royal coat of arms. It seems to me the hon. member is suggesting that the best of all possible worlds could be enjoyed by taking these 3,000 suggested designs all of which, no doubt, are very worthy, and putting them before the house so that people of supreme artistic taste, such as himself, can make a selection from them. Really, I can think of nothing worse which could be foisted upon the country than that this question should be decided in accordance with the artistic abilities of the hon. member for Winnipeg South Centre or of his cohort from Joliette-L'Assomption-Montcalm aiding and abetting him in this supreme artistic endeavour. If it comes to a matter of artistic taste—

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

Mr. Greene: As I was saying, if it comes to a matter of artistic taste, I would prefer that of the Prime Minister (Mr. Pearson).

Mr. Pigeon: Hey.

Some hon. Members: Oh, oh.

Mr. Greene: Inasmuch as the main component of the flag was selected by His Majesty King George V when he selected the coat of arms, I, for one, would much prefer that a choice be made of this symbol of Canada's history, one which has its roots deep in our past, than that the selection be left to people such as the hon. member for Winnipeg South Centre.

I was also a little surprised to hear that the hon. member for Winnipeg South Centre was so anxious to have the union jack perpetuated as Canada's royal emblem. I think all of us here have as great a respect for our past and for our heritage as has the hon. member. I think this is certainly evidenced by the fact that the royal emblem of Canada, authorized by royal decree, is an essential part of the suggested flag. But most of us in this house and, we believe, most people in this country, feel the time has now come for the selection of a unique Canadian emblem without reference to our antecedents in the United Kingdom or elsewhere. I wonder if the hon. member for Winnipeg South Centre, since he is so anxious to preserve the past exactly as it was, without recognizing the evolution which has taken place, would also like to revoke the Statute of Westminster? I think this would be in keeping with his chain of thought expressed with regard to our emblem. It is possible he feels the colonial office should still operate in control of the affairs of Canada. I hope he will be consistent in his representation to this house. What we are witnessing today is a mere gentle backwater of the flag debate which will shortly be commencing. When that debate opens I hope the hon. member for Winnipeg South Centre and his cohort from Joliette-L'Assomption-Montcalm—

Mr. Pigeon: May I call it six o'clock?

Mr. Greene: Will be consistent and ask that the Statute of Westminster—

Mr. Pigeon: You will vote for two flags. It will be—

Some hon. Members: Sit down.

Mr. Churchill: Afraid to vote.

The Acting Speaker (Mr. Batten): Order. The hour appointed for the consideration of private members' business has now expired.

Mr. Knowles: So have we.

BUSINESS OF THE HOUSE

The Acting Speaker (Mr. Batten): It is my duty, pursuant to provisional standing order 39A, to inform the house that the questions to be raised at ten o'clock p.m. this day are as follows:

The hon. member for Joliette-L'Assomption-Montcalm (Mr. Pigeon), legal action respecting the program "Twenty Years Later"; the hon. member for Skeena (Mr. Howard), floods in British Columbia and potential dangers on the Skeena river; the hon. member for Quebec West (Mr. Plourde), labour conditions, provision for unemployed to receive unemployment insurance or social assistance.

At six o'clock the house took recess.

AFTER RECESS

The house resumed at 8 p.m.

POWER

COLUMBIA RIVER—APPROVAL OF RATIFICATION OF TREATY

The house resumed consideration of the motion of Mr. Martin (Essex East):

That it is expedient that the houses of parliament do approve the ratification of the treaty between Canada and the United States of America relating to co-operative development of the water resources of the Columbia river basin, signed at Washington on January 17, 1961, and the consequent coming into force of the protocol thereto annexed to the exchange of notes signed at Washington on January 22, 1964, and that this house do approve the same.

Mr. Deputy Speaker: Does the house wish the Chair to deliver a judgment or opinion at this time?

Mr. Scott: Mr. Speaker, just before you give your judgment I should like to say a few words on the amendment moved by my good friend the hon. member for Greenwood (Mr. Brewin). I want to suggest to you that the amendment he has moved has really raised a very fundamental problem for your consideration. In many ways it seems to me that the issue posed by the amendment is of such importance to the rights of parliament that it should not be disposed of without the fullest possible consideration. As has been pointed out, there are not very many precedents on this matter and in many ways you are breaking new ground. In view of this we wish to lay before you our submissions.

Briefly our position is this. We are not quarrelling in any way with the right of the executive to negotiate treaties. This is their right and a responsibility which they exercise. Nor have we quarrelled with the original contention that legally they are not obligated to submit these treaties to parliament for parliament's acceptance, rejection, ratification or consideration. But we do say that once the executive waives that right, once it divests itself of that protection, once it brings before parliament the measure in question, it cannot reserve unto itself some form of qualified acceptance of the rights of parliament.

What the executive is attempting to do here is to bring this matter before parliament for consideration and then attempt to qualify the rights of this parliament to deal with this measure. I say that once they have waived that right they cannot take it back when the measure comes again before the house. Once the executive surrenders to parliament jurisdiction to deal with the matter, parliament then becomes the master and the executive becomes the servant; and it does not lie in its mouth to come into the house and attempt to qualify and to cut down the rights of parliament to deal with this measure. It cannot now start telling parliament that all we can do is to say yes or no; that we can either approve the treaty or not approve the treaty.

Surely parliament has the right to move amendments to show our position on various aspects of the treaty and to test the feelings of the house on the parts of the treaty with which we disagree. Otherwise the whole idea of bringing this treaty and protocol before us is a charade; the whole debate becomes a meaningless exercise if all we are to do is to have a series of speeches, but are given no right to register protests and suggest amendments to the treaty now before us.

It seems to me that what is really involved is an interference with the basic rights of parliament; that the executive is trying to come into parliament and tell us what are our rights, and to qualify those rights and privileges which have grown up through tradition over many years. If we accept the position that all we can do on this treaty is to talk about it and vote yes or no, then I should like to suggest that we are permitting parliament to be muzzled in these proceedings, and as I have said the debate itself becomes a meaningless exercise in debating technique. So I suggest to you that in making your decision you are really deciding the basic right of parliament to deal with this measure once it is brought before us.

I thought the hon. member for Winnipeg North Centre (Mr. Knowles) made an interesting observation when reading from the rules and procedures of this house. He outlined the fact that in the case of treaties which do not require the expenditure of money—and I presume this treaty falls into this category—the correct procedure might well have been the introduction of a bill. If that procedure had been followed we would have every right to move amendments and to test the feelings of the house on various aspects of the treaty. Because another method was adopted, rightly or wrongly we do not know—

Mr. Douglas: Deliberately.

Mr. Scott: Perhaps deliberately, although I am not saying that in that way. But be-

cause this other route has been taken we are being deprived of the very rights which would have been ours had the procedure of introducing a bill been followed.

I do not know why this present procedure has been adopted. No one has ruled on the rightness of it, but in any event the government is depriving the members of this house of the historic right of parliament to deal with a measure without qualification, and without any limitation of our rights by the cabinet or the executive. Therefore, I should like to suggest to you that this amendment really raises for your consideration the very grave and serious problem of the rights of parliament, and the degree to which parliament can be muzzled and its rights abdicated by the actions of the executive.

Mr. Fleming (Okanagan-Revelstoke): Mr. Speaker, with respect to this amendment, quite apart from the constitutional and legalistic questions which have been raised, we must also take into account the substance of the motion itself in deciding whether the amendment can be accepted by this house at this time.

The amendment requires a specific diversion of water for a specific purpose. It asks this house to make a decision to instruct the government to undertake to secure, through an exchange of notes with the United States, the right to divert waters from the Columbia system to the prairie region in a certain amount.

The resource which is encompassed in this amendment is a resource which comes under the administrative jurisdiction of a province of Canada. The effective use of this resource belongs to the people of the province of British Columbia. If we here are required to impose the will of the federal government, by the acceptance of this amendment, upon that province and upon its people when they have already given an indication of what they want, then I feel we are going beyond our jurisdiction. I submit this has to be taken into account. The external affairs committee have had some 50 hearings, and have examined exhaustively and carefully—

Mr. Knowles: Mr. Speaker, on a point of order, may I ask whether the amendment has been ruled as in order and whether we are debating the substance of the amendment? If so, others might like to do so.

Mr. Martin (Essex East): No; he is giving additional reasons.

[Mr. Scott.]

Mr. Deputy Speaker: Order. It is my understanding that the hon. member is speaking to the point of order.

Mr. Fleming (Okanagan-Revelstoke): Certainly; and I am speaking to it because the substance has some bearing on whether the amendment should be accepted for consideration by the house at all. The substance, as well as the form, is of some consequence here. If we were to vote and accept this amendment, we would be accepting as a fact that, without prior consultation, we can in effect impose, our will on one of the provinces of Canada with regard to a resource which lies within its jurisdiction constitutionally.

Mr. Douglas: Not at all.

Mr. Martin (Essex East): Certainly.

Mr. Fleming (Okanagan-Revelstoke): I hear an interjection from my left, "Not at all", Mr. Speaker. I wonder what the feeling would be in other provinces if there were this intrusion on the right of a province to have at least some voice in the utilization of a resource that it has the right to consider within its jurisdiction and available for its development. I feel we must take this into account. Article XIII of the treaty does provide in general terms and very precise terms for diversion for consumptive purposes, that there shall be this diversion wherever we want to divert. But if we accepted an amendment that limits this right, without first consulting the province concerned, in my opinion this would be wrong. There is no suggestion in this amendment that we should consult the province; it simply says that we should exchange notes with the United States, and I claim that we would be going beyond our jurisdiction and responsibility in accepting the proposal contained in the amendment.

Mr. Douglas: Speaking on the point of order, Mr. Speaker, I am wondering whether the hon. member for Okanagan-Revelstoke (Mr. Fleming) has looked very closely at the amendment which is being proposed. There is no suggestion in the amendment that if we were to pass it parliament would impose its will upon the people of British Columbia or the government of British Columbia. All this amendment says is:

> Subject to the negotiation of a further protocol or an exchange of letters clarifying the right of Canada to divert up to 6,000 cubic feet per second or 5 million acre feet annually from the Columbia river—

This does not instruct that there shall be placed in the treaty a provision that 5 million acre feet or 6,000 cubic feet per second of water shall be diverted annually from the Columbia river, but only that the right of this diversion shall have been agreed to by the governments of Canada and the United States; so that if at some future time the government of British Columbia wants to exercise that right, it will have the legal power to do so. As a matter of fact, yesterday the Secretary of State for External Affairs (Mr. Martin) told the house that the right of diversion was in the treaty and the protocol, and before the external affairs committee government witnesses said repeatedly that this right of diversion is safeguarded.

All this amendment does is seek to have that right spelled out not only by the Canadian government but also by the United States government, so that the right to divert water will be clear beyond any shadow of doubt. Therefore, Mr. Speaker, the amendment does not impose any burden or onus on any government. It does not deal with anything beyond the jurisdiction of this parliament. It merely suggests that it be made clear by an exchange of letters that the right to divert, which the government says is there, is in fact there—which we seriously doubt.

Mr. Nielsen: Does Premier Bennett have any doubt?

Mr. Douglas: Whether Premier Bennett has any doubt or not does not meet the situation. We are dealing here with a treaty. Unless the government of the United States and the government of Canada are agreed as to the legal meaning of this treaty, then of course difficulties may arise in the future.

Mr. Martin (Essex East): There is no doubt about it.

Mr. Douglas: The Secretary of State for External Affairs says there is no doubt about it. If there is no doubt about it, let him accept this amendment to make it clear beyond any shadow of doubt.

Mr. Martin (Essex East): May I point out, Mr. Speaker, that the protocol does that very thing.

Mr. Deputy Speaker: Order. May I be allowed to interrupt the hon. member for just one moment. It seems to me that this discussion is to some extent out of order. We are now discussing the merits or demerits of the amendment itself. This is the type of discussion which I think would be in order if the Chair had ruled the amendment in order and acceptable. Therefore I would suggest that hon. members limit their contributions to the question of whether this amendment should be accepted by the Chair.

Mr. Douglas: I quite agree with Your Honour, but in view of the fact that you allowed the hon. member for Okanagan-Revelstoke to deal with the substance of the amendment I felt that some reply was in order to deal with the point which he raised. Further on the point of order, I think the house ought to be fully aware as to what a serious decision you, Mr. Speaker, and the house are about to make. According to the hon. member for St. Lawrence-St. George (Mr. Turner) the government is apparently now taking the position that a treaty is really the sole prerogative of the executive, that they do not have to submit it to parliament—

Mr. Macdonald: That is right.

Mr. Douglas: —but that they have waived their right in this regard, and with graciousness of heart and great condescension have agreed to allow parliament to say something about it. But what we are allowed to say about it is exactly what Hitler allowed the Reichstag to say. They can say "ja" or "nein"; they can say "yes" or "no", but—

Mr. Turner: On a question of privilege, Mr. Speaker, I gather that the hon. member for Burnaby-Coquitlam (Mr. Douglas) is embellishing the statement I originally made.

Mr. Douglas: I am interpreting the statement which the hon. member made, Mr. Speaker, and I think anyone who reads it will agree with my interpretation.

Mr. Nielsen: Would the hon. gentleman permit a question, Mr. Speaker? On the point of order, will the hon. gentleman tell the committee whether he feels that the effect of the proposed amendment will be to provide something which the treaty does not itself provide now?

Mr. Douglas: Yes, Mr. Speaker.

Mr. Nielsen: Then I have a following question, if the hon. member will permit it. Does the hon. member not agree, then, that if this is the case surely this is something the committee cannot consider.

Mr. Douglas: This is not a committee; this is the House of Commons.

Mr. Nielsen: Well, the house.

Mr. Douglas: We have proposed this amendment because we seriously question that the present treaty and protocol provide for the right of diversion; as a matter of fact, we think it specifically denies the right of diversion where the generation of hydroelectric power is involved.

Mr. Nielsen: If this is the position the hon. gentleman takes, surely the whole treaty has to be renegotiated.

Mr. Martin (Essex East): Absolutely.

Mr. Douglas: No, Mr. Speaker. What we are arguing is that this amendment calls for a new protocol or an exchange of letters to make it perfectly clear that the government's contention, that the right of diversion is contained in the treaty and protocol, is in fact contained there. If the government is satisfied that the right of diversion is there, all it needs is a protocol signed by the United States government and the Canadian government to that effect and our fears would then become groundless.

Mr. Martin (Essex East): It now has that very thing.

Mr. Douglas: I want to return to the point I was making, Mr. Speaker. We are now having a demonstration of the Liberal party's belief in the supremacy of parliament, namely that parliament is supreme only to the extent of being able to say yes or no to a treaty, but having no power to declare its opinion with respect to any particular aspect of the treaty. This is dictatorial arrogance of the very worst kind. This makes the pipe line debate look like child's play.

Some hon. Members: Oh, oh.

Mr. Douglas: Therefore, Mr. Speaker, I hope Your Honour will realize that from our point of view this is a most serious decision which has to be made, that parliament has to decide this evening whether or not a treaty introduced by the executive is so sacrosanct that this house may not even pass a declaratory amendment stating its opinion with respect to any part of the treaty.

Mr. Deputy Speaker: Order. In the course of the debate on the government resolution calling for the approval by this house of the ratification of the Columbia river treaty, the hon. member for Greenwood introduced an amendment as follows:

> Moved by Mr. Brewin, seconded by Mr. Herridge, that the resolution before the house be amended by adding thereto the following words:
>
> [Mr. Nielsen.]
>
> "Subject to the negotiation of a further protocol or an exchange of letters clarifying the right of Canada to divert up to 6,000 c.f.s. or 5 million acre feet annually from the Columbia river for the beneficial use of the prairie regions and for multiple purpose use of water so diverted."

The validity of the amendment has been questioned by the hon. member for St. Lawrence-St. George, the hon. member for Peace River and also this evening by the hon. member for Okanagan-Revelstoke. On the other hand, the hon. members for Winnipeg North Centre, Greenwood, Danforth and the leader of the New Democratic party have argued in support of the amendment's legality.

The hon. member for St. Lawrence-St. George has expressed the view that the amendment is out of order because it encroaches on the government's exclusive prerogative in the treaty making field. I do not think that anyone will question the validity of the principle itself, and I would suggest that it is not diluted or altered by the government's action in seeking approval of the treaty's ratification. The very narrow and limited question before the house is not approval or disapproval of the terms of the agreement but approval or disapproval of the ratification of the treaty. I would hesitate to rule that, in seeking this approval and in placing this very limited question before the house, the government ipso facto abdicates its prerogative in the realm of treaty making, a prerogative on which the proposed amendment would seem to encroach.

In any event, if there can be some doubt about the acceptability of this constitutional argument, it appears that the validity of the amendment proposed by the hon. member for Greenwood is open to question on other and firmer grounds. As has been pointed out by the hon. member for Peace River, it is extremely difficult to produce an acceptable motion in a situation of this kind. There are first the limitations of standing order 44 which, of course, are well known to hon. members; but perhaps I should quote the standing order at this time:

> When a question is under debate no motion is received unless to amend it; to postpone it to a day certain; for the previous question; for reading the orders of the day; for proceeding to another order; to adjourn the debate; or for the adjournment of the house.

Then in turn an amendment is limited by the rule of relevancy. On this point I should like to quote from May, sixteenth edition, at page 421:

The fundamental rule that debate must be relevant to a question necessarily involves the rule that every amendment must be relevant to the question on which the amendment is proposed. Stated generally, no matter ought to be raised in debate on a question which would be irrelevant, if moved as an amendment, and an amendment cannot be used for importing arguments which would be irrelevant to the main question.

The difficulty, of course, is that if an amendment proposes nothing new it is a nullity and if it does introduce a new proposition not covered in the motion it becomes irrelevant. In this instance the proposed amendment does import a new argument and thus contravenes the rule of relevancy.

Another point made by the hon. members for Peace River and St. Lawrence-St. George is that the amendment is an expanded negative. It seems to me that acceptance of the amendment negatives approval of ratification of the treaty, since it proposes re-opening negotiations with a view to changing the terms of the treaty itself. Our rules provide a way to negative a question, and this must be done not by way of amendment but simply by voting against the main proposal.

Futhermore, the Chair agrees with the suggestion made in the course of argument this afternoon that one cannot propose an amendment which does not oppose or alter the main motion but attempts to approve of it on a conditional basis. The reference made this afternoon was to citation 201 of Beauchesne, fourth edition.

Lastly, it would appear to the Chair that the amendment proposed by the hon. member for Greenwood is in the nature of a substantive motion requiring notice.

Perhaps in concluding I should refer hon. members to a very similar situation which is reported in the *Journals* of the House of Commons and which rebuts the suggestion made this evening that we are now breaking new ground. I would refer hon. members to the *Journals* of the House of Commons for Wednesday, the 11th day of June, 1958, at page 132. On that occasion the house was considering the following motion:

That it is expedient that the houses of parliament do approve an exchange of notes constituting an agreement between the government of Canada and the government of the United States of America...and that this house do approve the same.

At the time an amendment was proposed by Mr. Howard, seconded by Mr. Martin (Timmins), as follows:

That the motion be amended by adding thereto the following words:

"And in the opinion of this house consideration of the interests of collective security and the principles of the United Nations make it advisable for the government to give consideration to the taking of such steps as are necessary to integrate these agreements within the structure of NATO."

Mr. Speaker Michener made the following ruling:

I concur the view he—

—the Acting Speaker—

—tentatively expressed as to the irrelevance of the proposed amendment which I think is apparent from a consideration of the motion itself which calls for two things; first, that it is expedient that the houses of parliament do approve the agreement and, second, that the house do approve the agreement. That is all that the motion puts forward. In effect, if the motion is affirmed it will approve the agreement and if it is negatived it will disapprove the agreement. If the amendment has the effect of denying the motion it is unnecessary and irrelevant because those members who wish to disapprove the agreement have only to vote against the motion as it stands. If the amendment adds something to the motion in a positive way it is a declaration of principle.

Then, a few lines further on:

Assuming that the amendment and the motion were accepted you would have the agreement approved but you would have added to it a declaration of this independent principle which is not related to the motion nor is it necessary for the decision of the motion in question.

That view is reinforced by a consideration of the limited number of cases where it is possible to introduce a principle by way of an amendment.

Speaker Michener here refers to a ruling of a previous Speaker, to which the hon. member for St. Lawrence-St. George referred this afternoon, in which he said:

May, Bourinot and Redlich indicate that the only motions upon which amendments declaratory of principle may be moved are motions for an address in reply to the speech from the throne, motions to go into committee of ways and means and supply and for the second reading of public bills.

For these reasons and on these grounds I must declare the amendment out of order.

Mr. Brewin: Mr. Speaker, in view of the importance of the matter, and with the very greatest of respect to you, I must appeal your ruling.

Mr. Deputy Speaker: The house has heard the decision of the Chair from which the hon. member for Greenwood has appealed to the house. Those in favour of sustaining the decision of the Chair will please say yea.

Some hon. Members: Yea.

Division

Mr. Deputy Speaker: Those opposed will please say nay.

Some hon. Members: Nay.

Mr. Deputy Speaker: In my opinion the yeas have it.

And more than five members having risen:

Mr. Deputy Speaker: Call in the members.

The house divided on the question: Shall the Speaker's decision be sustained? And the decision of the Chair was sustained on the following division:

YEAS

Messrs:

Alkenbrack
Armstrong
Badanai
Baldwin
Basford
Batten
Beaulé
Béchard
Beer
Berger
Bigg
Blouin
Boulanger
Boutin
Brown
Byrne
Cadieux (Terrebonne)
Cameron (High Park)
Cantelon
Cantin
Cardiff
Carter
Cashin
Choquette
Chrétien
Churchill
Clancy
Coates
Cooper
Côté (Chicoutimi)
Côté (Longueuil)
Cowan
Crossman
Crouse
Cyr
Danforth
Davis
Deachman
Deschatelets
Dinsdale
Dionne
Doucett
Émard
Enns
Ethier
Eudes
Fane
Fleming (Okanagan-Revelstoke)
Flemming (Victoria-Carleton)
Forbes
Francis
Gauthier
Gelber
Godin
Gordon
Grafftey
Granger
Gray
Greene
Groos
Gundlock
Habel
Hahn
Haidasz
Hamilton
Harley
Hellyer
Honey
Howe (Wellington-Huron)
Jewett, Miss
Korchinski
Lachance
Laing
Lamb
Langlois
Laniel
Laprise
Latulippe
Leblanc
Leboe
Macaluso
Macdonald
MacEwan
MacNaught
Macquarrie
McCutcheon
McLean (Charlotte)
McWilliam
Madill
Mandziuk
Marcoux
Martin (Essex East)
Matheson
Matte
Millar
Monteith
Moore
Moreau
Morison
Muir (Cape Breton North and Victoria)
Mullally
Nicholson
Nielsen
Noble
Nowlan
Nugent
O'Keefe
Olson
Ormiston
Ouellet
Pascoe
Paul
Pepin
Perron
Pickersgill
Pigeon
Pilon
Prud'homme
Ricard
Richard
Rinfret
Rochon
Rock
Rouleau
Ryan
Rynard
Sharp
Southam
Starr
Stefanson
Stenson
Tardif
Temple
Thomas
Tremblay
Tucker
Turner
Valade
Vincent
Wahn
Walker
Watson (Assiniboia)
Watson (Châteauguay-Huntingdon-Laprairie)
Webb
Whelan
Willoughby
Winkler—147.

NAYS

Messrs:

Barnett
Brewin
Cameron (Nanaimo-Cowichan-The Islands)
Douglas
Fisher
Herridge
Howard
Howe (Hamilton South)
Knowles
Orlikow
Scott
Webster
Winch—13.

Mr. Deputy Speaker: I declare the decision sustained.

Mr. Bert Leboe (Cariboo): In addressing the house for a few minutes on the measure before us for the ratification of the Columbia river treaty, may I first of all take this opportunity to express on behalf of the members of my group and, I think, on behalf of all the members of the committee on external affairs, appreciation of the way in which the chairman of that committee sat through 50 sittings of evidence. I think the hon. member for Leeds (Mr. Matheson) did a very commendable job indeed and I think the members of the committee were very proud of the effort he put forward to make himself acquainted with those matters with which it was necessary he should become familiar. In any case, his conduct of the committee was such as to stand him in good stead as a future chairman of many other committees of this house.

I should like to mention, also, that in my opinion the negotiators of this treaty did an excellent job of probing into the finer points under discussion. I think they were firm. I think they were fair. I am certain that those who sat on the committee were aware of the

tremendous ability that these gentlemen possessed in their own right as individuals. I think we can be very proud of the work they did.

Negotiation of any type of treaty is a two-way street and there has to be, I think, a certain amount of flexibility in the final result. There are those, I know, who would like to see every "i" dotted and every "t" crossed so as to have everything spelled out. But I believe that if we were to take an extreme position of this kind we should get not only the other side but ourselves, too, into a straitjacket in which it might be very difficult to move. I believe our negotiators have taken into account all the factors, human and otherwise, which were in the minds of those concerned with this matter both here and in the United States. I believe they have achieved an excellent treaty.

In the course of the hearings before the external affairs committee more than 1,500 pages of evidence were presented. We heard many witnesses and many long briefs were put forward. Many probing questions were asked. I do not object to the position taken by those who oppose this treaty and the protocol. If they felt there was need for probing I give them credit for doing the probing which they thought was necessary. No one is any the worse for this probing having been done, because it gave an opportunity to those who supported the treaty to clarify the opposing views and bring the question into proper focus. We dealt with the financing of the dam. We dealt with the agreement between British Columbia and Canada concerning financing, and this was the most important part of the treaty negotiations; as a matter of fact as far as British Columbia is concerned it was the most important part—the part for which British Columbia will be responsible. The government of British Columbia has now expressed its delight in the fact that the negotiations have now made progress to such an extent that we have before us today a treaty which will bring about the building of three major dams, with money to spare as far as the cost is concerned. This money will be used for installing machinery at some of the power dams in British Columbia.

It has been said that the cost of damming the Columbia will be much greater than the estimated cost. I, for one, do not hold this view and I say this because of evidence which came to us very recently in connection with the Peace river project. Estimates for the cost of construction of the main dam on the Peace river were in the neighbourhood of $90 million, but the actual contract let was for an amount of $25 million less—some $73 million. The reason for this downward trend in cost is to be found in the extensive use of the conveyor system for moving material. At the present time there is under construction in the Peace river area a conveyor which will be over three miles long. It will have a belt five and a half feet wide; it will travel at 12 miles an hour and it will deliver 12,000 tons of material to the dam site per hour. Anyone who can visualize the pile of material which will be moved in one day can readily understand why there is a reduction in the cost estimates which were previously made with regard to the building of the dam.

We in the committee discussed the responsibility, and the angles of this responsibility, of the province of British Columbia in connection with the treaty. We discussed the safeguards taken by the federal government with respect to this responsibility. We discussed at length the safety of the dams which will be built. We probed into the matters relating to foundations, material, engineering reports, and we found no reason for alarm; as a matter of fact we were well assured as to the quality of the dams which will be built. We even probed into matters which were not actually before the committee. We dealt with the question of labour relations in connection with the building of the dams. This was dealt with clearly and succinctly, which meant that most of us at least were satisfied, as I think are the people who expect to do the job, that we have gone a long way towards a peaceful construction project with the least amount of disruption either on the part of labour or management.

We also dealt with the British Columbia power policy with regard to the dams on the Columbia and as the policy related to the Peace river dam. It seems to me in this connection that it would be well if I were to remind the house that we in British Columbia have a power policy which delivers electrical power to all parts of the province at equal cost. There is an equalization rate. People living at Fort Nelson, for instance, pay the same price for domestic power as people in the city of Vancouver or Victoria. In considering the Columbia river power project and the cost of electricity delivered, we must take into account the whole network of power which is delivered from all sites in British Columbia in the over-all cost of electricity on a uniform basis. This power

policy is one which can lend itself very well, I think, to any part of Canada.

We have heard a considerable amount about the possibility or impossibility of diversion for consumptive uses, and we had an amendment moved in this connection. I think it would be well for me to read at this time an extract from the transcript of the proceedings before the external affairs committee. At page 299 appears a preliminary study of the possibilities of additional water supply for Saskatchewan rivers. This study was prepared for the Saskatchewan Power Corporation in March 1962 by Crippen-Wright Engineering Limited, and the summary of their report reads, in part, as follows:

The following observations, without consideration of any planning by the province of Alberta, can be made:

(a) Diversion of the upper North Saskatchewan river into the Red Deer and South Saskatchewan rivers suggests substantial savings in power development costs within Saskatchewan as it would take advantage of regulation provided by the South Saskatchewan dam reservoir and the additional 150 feet of fall available within the province. Diversion at Rocky Mountain House is very low in cost and appears to be an attractive first increment to supplement irrigation, domestic and power requirements.

(b) The diversion of the Athabasca as a first stage of an eventual Peace river diversion, is feasible and seems attractive during or following construction of power projects on the North Saskatchewan river.

(c) Diversion of at least 20,000 cubic feet per second from the Peace river was found to be economical. Even greater quantities are available with upstream regulation.

They are referring there to the Peace river dam at Portage mountain. The study continues:

(d) Diversions of the Kootenay, Columbia, or Fraser river water are high in cost. Water from the Fraser costs the least of that obtainable from the western slope.

As well as keeping ourselves out of a straitjacket in connection with the treaty and protocol, the contention that we need to take water from the Columbia and bring it over to the prairies, according to the report produced by Crippen-Wright, is absolutely ridiculous. To waste the time of this house with something which, as I see it, according to engineering reports is valueless is almost bordering on irresponsibility.

Reference was made this afternoon to the fact that the federal government should stop British Columbia building dams. This can be done by refusing to give permission which was asserted by the government of Canada in Bill No. 3 which was passed, I believe, in 1955. The point I should like to make here is that there is no way in which the Canadian government can force British Columbia to build dams. I think this is very important. As a matter of fact, one of the matters in the original Bill No. 3 of 1955, if I recollect correctly, was that under clause 9 all of the watershed of the Columbia and other rivers drained into foreign territory which was under federal jurisdiction. But, Mr. Speaker, before this bill was passed clause 9, if that is the clause I am thinking of, and I am sure it is. was deleted, and there was a very good reason why the government of the day deleted that clause from the bill.

The business of centralization and of bringing about federal powers and jurisdictions of this kind may appeal to some. But I want to say on behalf of this party that we are not inclined to pass over the natural resources of a province to federal government jurisdiction. I am sure that if the hon. member for Greenwood (Mr. Brewin) had been in the external affairs committee of that day he would have realized that the position of the government of that day, and the position it took in eliminating clause 9 of the bill to which I have referred, was a wise one indeed.

Reference has been made to downstream benefits, flood control, and so on. Those matters are part of the record and there is no need for me, or for anyone else as far as I can see, to dwell on them. Surely after 1,500 or more pages of evidence, 50 sittings of the external affairs committee when witnesses were subjected to the most searching questions, and the committee having come in with a report that this treaty and the protocol should be ratified, we in this house, after hearing a member from each party giving the position of his party on this issue, should pass the treaty and get along with the business of the house.

I would like to see the treaty ratified by this House of Commons at the earliest possible time so that we can get on with the job in British Columbia. I am sure the people of British Columbia would appreciate it very, very much. Therefore I would urge, Mr. Speaker, that if possible even yet tonight we should pass this treaty.

[*Translation*]

Mr. Gérard Laprise (Chapleau): Mr. Speaker, I should like to take this opportunity to make a few remarks on this motion concerning the ratification of the Columbia

river treaty. Even if I intend to be brief, I should like to follow the example set a few minutes ago by the hon. member for Cariboo (Mr. Leboe) and congratulate the chairman of the external affairs committee, the hon. member for Leeds (Mr. Matheson), who did a splendid job and who greatly facilitated our task. He was helpful to me in this sense that he provided me with a truly competent interpreter who made it possible for me to follow with great interest the evidence given and the statements made at the 50-odd meetings of the committee during which we heard the pros and cons of the project.

Unfortunately, Mr. Speaker, I cannot say as much for the internal organization of the house, for here I have the English version of the external affairs committee's report, number 29, dated May 27, while as far as the French version is concerned, I only have report number 3, dated April 9. This seems to indicate a fairly wide gap between the publication dates of the English and the French versions of the committee's reports.

Sometimes it is necessary to review the evidence which was given and I could not take advantage of that opportunity in view of the fact that the French reports always arrive long after the English reports.

I raised this matter myself a few days ago in this house, on May 13. Besides, it had been done on previous occasions, many many times, but unfortunately we do not see any sign of improvement.

Mr. Deputy Speaker: Order. I did not intervene while the hon. member was making his comments, but I am afraid that he cannot keep on dealing with the question he just raised. He should, as much as possible, confine his remarks to the subject now under discussion.

Mr. Laprise: In any case, I had completed what I wanted to say on that matter, but I simply wanted to point out the time elapsed between the two versions.

Mr. Côté (Chicoutimi): The injustice.

Mr. Laprise: Mr. Speaker, during the study in committee, I was able to see the wonderful work which had been done for several years by the engineers and technicians who have been in a position to see the pros and cons of that extraordinary project which will no doubt go down in our country's history—control hydraulic power and put it at the disposal of mankind and the people of this continent.

About that power which we try to harness more and more for our own use, I read the following:

> Power was defined thus: "Substitution of mechanical energy for human energy, of mechanical action for human labour".

Electric energy is really such a power.

> In his "Geography and World Power", Fairgrieve states: "The power with which Greece achieved such great things in every sphere of human progress was mainly provided by slaves. Each Greek, each Greek family, had five helots about whom we do not think when talking about Greeks; however, they were the ones who accounted for the main power of the Greeks".

We are fortunate enough to have great water power in Canada; the Columbia river is one of the greatest in the country. I feel, we should commend the government of British Columbia, which wants to turn this resource to account, and do everything in our power to help and to hasten the fruition of this plan. Indeed, during this debate, I have heard nothing which could hurt the prerogatives of any region of this country. Now, in my opinion, we have nothing to lose by using a natural resource of which we can take great advantage.

The opposition of some people prevented hasty action and prompted us to be careful. I feel, Mr. Speaker, that those critics were necessary, even if they did extend the debate. But it seems to me that the Canadian people and, to a certain extent, the American people should be able to take advantage as soon as possible of those resources which are being wasted.

The Columbia river has always flowed and will always flow through part of the United States; whether we like it or not, we can do nothing about it. Now, in view of the fact that we have no doubt the advantage of carrying out the necessary work in co-operation with the United States, I think that the Canadian government and parliament should ratify this agreement as soon as possible, so that the work may start quickly, be successful and help the Canadian people through the creation of a labour market, so that our workers may also be able to take advantage of it. I feel that not only the citizens of British Columbia, but many workers outside of that province will take advantage of it.

Mr. Speaker, on behalf of our group I say that we agree with this project.

Besides, the evidence which was given indicates that the government of British Co-

lumbia also agreed. If that project included some objectionable features—but I do not believe such is the case—then some day it would be that province which would suffer. But since it is in favour of that treaty and since the headwaters of the Columbia river are located in that province, although it flows into the United States, we ought to support British Columbia and ratify as soon as possible that treaty, in order that work could start and the long awaited results might materialize.

[*Text*]

Mr. Reg. Cantelon (Kindersley): Mr. Speaker, the two previous speakers said they intended to be brief and I intend to be brief too. There is just one main point I hope to make. This treaty has been a subject of very violent debate in the past and, as we have seen this evening, the violence of the debate is not entirely ended. Nevertheless I now believe that it is the best treaty which could be negotiated under the circumstances. Of course the applicable circumstances were created by the government of British Columbia which owns the resource.

As has been pointed out on other occasions by other speakers, the Liberal party, while in opposition and while the treaty was being negotiated by the Conservatives, opposed the treaty with very strong attacks on the negotiators as being incompetent, and on the treaty as a selling out of the interests of Canadians. However, once the Liberals came to power they did a right about face and now maintain that it is the best treaty possible. It seems to me in the face of this, and with the two main parties of the country now supporting the treaty, that one can be sure that it is indeed the best treaty possible, and so I intend to support it.

Nevertheless there is one question that as a Saskatchewan member I believe needs clarification. Are the water diversion rights of the three prairie provinces protected by the treaty? The chief negotiators of the treaty, Hon. Davie Fulton for the Conservatives who negotiated the original treaty, and the Secretary of State for External Affairs (Mr. Martin) for the Liberals, who negotiated the protocol, maintain that the water diversion rights are adequately established. General McNaughton is their chief opponent and the main critic of the treaty. Yet he took a leading part in negotiating the treaty as it is today. He says that he opposed the final draft and refused to join in recommending it to the cabinet.

[Mr. Laprise.]

Mr. Fulton says that the general was at the final meeting and never had a word to say against the treaty. I should like to quote in substantiation of this opinion the Ottawa *Citizen* of May 12, 1964, where John Walker of Southam news services reports as follows:

> But Mr. Fulton was most emphatic on this point, however, saying that he had asked all those on the negotiating team whether the treaty as drafted —including the high Arrow dam to which General McNaughton has taken strong exception and excluding the McNaughton dams on the upper reaches of the Columbia river—should be recommended.
>
> "All agreed. General McNaughton said that while he was opposed strongly to certain of the physical aspects of the treaty, he did not oppose the recommendation to cabinet. He then said something to the effect that he must maintain his freedom of expression for the future".
>
> Mr. Fulton then made a strong attack on the major criticisms which have been raised against the treaty. He reviewed the communications between Ottawa and the B.C. government before signing of the treaty to show that the B.C. government had given "the clearest and most unequivocal assurance" of its intent to proceed with the treaty as drafted, only to indulge in "a surprising contortion" a month later.
>
> The former member from Kamloops, rubbing in the former McNaughton stand, stated in his 30 page brief that "at every stage the views of General McNaughton and the Canadian section, international joint commission, were obtained; and at no stage did they or General McNaughton withdraw or refrain from the discussions."

And further:

> Mr. Fulton insisted, despite General McNaughton and others, that "the present treaty is far from a second best choice. It is, on the basis on which it was negotiated, a completely fair alternative."
>
> He argued that without the treaty plan the development of the Columbia river would not have been possible at all. Once this was possible it would provide the "springboard" for further developments on the Canadian side.
>
> He lashed out at those, like General McNaughton, who had told the committee that "despite the black and white provisions" in the treaty (for diversions, for instance), Canada would not exercise them. The right to divert the Columbia to the prairies—

To me this is the important point I want to make.

> —or to divert the Kootenay, or to divert the Columbia into the Fraser, were all possible either immediately or in the long run.

From this it is quite plain that Mr. Fulton is confident that, first this is the best treaty that could be negotiated and, second, that water diversion rights for the prairies are protected. The Secretary of State for External Affairs corroborates Mr. Fulton's opinion. In his report to the external affairs committee he had this to say near the beginning of his

evidence, as found on page 29, volume 2 of the reports of the standing committee on external affairs:

> In my judgment the treaty and protocol represent the best possible arrangement from Canada's point of view. I believe that this agreement, this arrangement, will serve well the national interest. At the same time I think it is important to emphasize that it reflects the wishes of the province of British Columbia where the river is located. It is also far better for Canada than anything we could do on our own without United States co-operation. In fact, one engineering report after another has indicated that without co-operation with the United States the economics of developing the Canadian stretch of the Columbia would be doubtful indeed. Whatever else may be said in these hearings, I hope that these basic facts will be kept in mind.

Further, on page 40 he comments as follows on article XIII of the treaty, the provision which permits diversion, and again this is the particular point I want to make:

> Now, there is not any doubt in my mind that under article XIII of the treaty there is a clear right of diversion for consumptive uses, and what has to be read with this is the fact that the province is the owner of the resource.

I would suggest that, in saying that, he thinks that whatever is to be done has to be done with the consent of the province. Later, in commenting on the protocol to the treaty, which he was mainly instrumental in negotiating, he re-emphasizes this view by saying, as found on page 65 of the same report:

> Doubt was also expressed whether article XIII (1) of the treaty in a positive enough way gave Canada the right to make diversions of Columbia waters for consumptive uses such as irrigation, domestic and municipal needs. Argument will be prevented on this point by this item's re-affirmation of Canada's right to make such diversions. In connection with the definition of "consumptive use" in the treaty it should be pointed out that the fact that water being diverted for a consumptive use such as irrigation also produces hydroelectric power en route either as an integral or incidental part of the total operation—

Again I should like to emphasize these final words.

> —does not result in that diversion ceasing to be a diversion for a consumptive use.

I should like to re-emphasize that last idea. The water may be used for the development of electric power on its way, if its prime use is for irrigation or other consumptive use. Since the prairies will want the water for consumptive uses primarily and not mainly for power, there should be no trouble at all with diversions.

None of us in this house can fail to respect the intelligence and capacity of Mr. Davie Fulton and the Secretary of State for Exterial Affairs and their interest in the future of Canada, and in this instance I am compelled to agree with their opinions. Saskatchewan's opportunity to use the water they want in the future is in my view established in the treaty. This being so, I intend to support it.

Mr. Deputy Speaker: Is the house ready for the question?

Mr. Colin Cameron (Nanaimo-Cowichan-The Islands): Since the government members who are so enthusiastic about this treaty are so coy about taking part in the debate, I will proceed now. I have no illusions about the outcome of this treaty. I am well aware that it is going to be ratified. I am quite well aware that the opinions and attitudes displayed in the external affairs committee will be reflected in the House of Commons. One may perhaps ask, why take part in what is essentially an exercise in futility, in butting one's head against a stone wall? I feel it is the responsibility of those who have been members of the external affairs committee during these hearings to place on the record some of the story as to the manner in which this treaty was brought before parliament and before the external affairs committee, and some account of those who gave evidence to that committee. I think also it is as well to put on the record some account of the manner in which the government of Canada has protected the rights of the Canadian people for whom they are responsible.

I should like to deal first of all with the nature of the government's presentation to the external affairs committee. Without in any way implying even the slightest suggestion of incompetence on the part of these witnesses called by the government, I think it is only right to point out that all three engineering firms, who were described in the proceedings of our committee as independent witnesses, are involved in the construction program of the British Columbia hydro and power authority on the Columbia project. Each one of them is a *parti pris* to the treaty plan and to call them independent witnesses is, I think, stretching matters rather badly.

Then, we had another technical expert brought before the committee by the government. He was a young man, I am sure of great intelligence, who in the course of time will undoubtedly become an eminent figure

in his profession. However, when we discovered that this young man had graduated from university only ten years ago and since that time had been exclusively employed by the water resources branch of the Department of Northern Affairs and National Resources and had no experience at all as either a consultant or an assistant in the planning of a major complex scheme of hydroelectric power such as is involved in this treaty, then we were forced to ask ourselves some questions as to why he was brought before the committee as the government's sole technical witness. We were faced with two alternative interpretations, Mr. Speaker. Either the government was treating the committee with contempt and not producing the most important of their technical advisers before that committee or this young man, brilliant no doubt but with very scant experience, was in actual fact the chief technical adviser to the government of Canada and to the negotiating committee. I lay no claim at all, Mr. Speaker, to any knowledge or expertise in the field of engineering. However, as the son of a man who was of considerable eminence both in Europe and North America in that field, I have some idea of the length of experience that is required before an engineer can be considered as a competent adviser to a government in connection with a scheme of this magnitude and complexity.

When in the course of examination it came out that this young man, brilliant no doubt as I say, was in actual fact the chief technical adviser to the government of Canada and to the negotiating committee, one could only have very grave misgivings as to the adequacy of Canada's representation in these negotiations. When we find that this is the only engineer brought before the committee, then one can only be dismayed at the attitude of the Canadian government, at the care that the Canadian government has exercised in performing its functions in protecting the rights of the people of Canada.

Now there were, sir, some independent witnesses of technical competence who came before the committee about whom there can be no possible doubt of either their special interest or the pressure from their employers. I have in mind two of them in particular, one of them an economist and the other an engineer. They came before the committee at their own expense and in defiance of the disapproval of their employers. I have no hesitation in placing their names on the record because I think their conduct was admirable, an admirable display of courage and public spirit that should earn the admiration of everyone who sat in those hearings. I refer to Mr. Larratt Higgins, an economist of the Ontario hydro authority, who came to Ottawa at his own expense, prepared a brief at his own expense for the use of the committee, and came here in defiance of the disapproval of his employers, who finally made it a condition that he only come here as long as he made it clear he was not representing the Ontario hydro authority who had, understandably, misgivings about being involved with affairs concerning another provincial hydro authority. The other is Mr. Richard Deane, the chief hydroelectrical engineer for the West Kootenay Light and Power, a subsidiary of the giant Cominco concern, supported as my colleagues have said by 23 other engineers in that district, who came here at his own expense and again in defiance of the disapproval of his employers. I think, sir, the status of these men in the eyes of their employers is signified by the fact that they were able to insist on their right to do their duty as they saw it as citizens, no matter how much their employers may disapprove.

Some hon. Members: Carried.

Mr. Cameron (Nanaimo-Cowichan-The Islands): I hear that the government members are very anxious to have this carried before they hear something said about it.

There was a third witness with whom I shall deal because I feel very disturbed about the treatment that witness received from the various committee members. This was an elderly gentleman from Vancouver, a man who for many, many years has enjoyed a reputation in the engineering field second to none. I happen to have met Mr. Bartholomew many years ago in my father's office in Vancouver when I was a very young man newly returned from the war.

I can recall the high opinion my father had of this engineer who, at this time, was also a comparatively young man. I am sure Mr. Bartholomew would not object if I suggest that due to his age he was unable to withstand—and I am going to use the word "harry," because it was—the harrying tactics of some government members in their cross-examination; but no one should run away with the idea that Mr. Bartholomew, 79 years of age though he be, is not an extremely intelligent, well trained and experienced engineer with experience not just in

B.C., not just in the water resources branch of the Department of Northern Affairs and Natural Resources, but with experience all over the world as a consulting engineer on major hydroelectric installations.

I can tell you I was greatly disturbed, in fact ashamed, at the manner in which this courageous old gentleman was treated by certain members of the committee. No attention was paid to his evidence.

No attention at all was paid to the evidence of Mr. Larratt Higgins, who presented a brief which most members of the committee, certainly implied in private conversation with me, was in all respects the most comprehensive and effective brief presented to that committee. My regret is that I was unable to persuade the committee to include that brief as a historic record in the proceedings of the committee for future reference.

Not only, sir, were all the engineering witnesses produced by the government involved in the construction program of the British Columbia hydro and power authority under the terms of this treaty plan, but they were also given extremely restrictive terms of reference when they were engaged by the government. They were constrained to examine solely the aspects of hydroelectric power. One of them indeed was confined merely to a comparison of the financial returns of alternative schemes. Not one of them was commissioned by this government to examine and investigate what is probably the most serious aspect of this whole project and treaty, that is, the aspect of water per se.

I am astonished, Mr. Speaker, that neither the government nor most of their witnesses, nor the members of the committee seemed to be aware of the relative importance today, and the greater importance tomorrow, of water per se as a resource, in distinction to water as a means of producing electric power. It is estimated by the United States department of commerce that the consumption of water in the United States increases by from 35 per cent to 40 per cent every decade.

I was astonished when I read the brief of the government's chief engineering witness, a witness who, we were assured again and again, had competent authority beyond question, the Montreal engineering company, to see his astonishing estimate of the modern consumptive requirements of an industrial society, set at 150 gallons per capita per day. This is a Victorian estimate of the water requirements of a modern industrial society. We had evidence presented to us by another witness, a man whose job it is to deal with matters of water consumption, in which he gave us some figures of the real consumption requirements today, and he pointed out that in the adjacent United States the average per capita consumption runs as high as 3,500 gallons per capita per day.

This report from the Montreal engineering firm was brought forward and presented to the committee as evidence that could be accepted with a figure of 150 gallons a day. Now, 150 gallons per day might perhaps, and it is a "perhaps", satisfy the requirements of the individual domestic consumer. It cannot come within miles of satisfying the requirements of a modern business community, certainly not a modern community engaged in industrialization. To present such evidence before that committee, with all the prestige that was accorded to this particular concern, I think was grossly misleading to the committee.

I was also interested to see the cavalier manner in which this major witness of the government, the government's most important witness, dismissed the idea of there being in the arid prairie provinces of this country any real desperate shortage of water or likelihood of it in the future, particularly, sir, when we can find no evidence—and I sought for it and asked for it—that this concern had ever made even the most cursory examination of water requirements in the prairie provinces. This again I suggest was in effect causing great misapprehension in the minds of the members of the committee.

I would like to refer to some of the requirements of the prairie provinces as presented to us in the brief brought here by Dr. Cass-Beggs, the head of the Saskatchewan Power Corporation, in which he points out that the needs and requirements of water on the prairie provinces are becoming acute and shortly will be desperate.

He deals with the alternatives that were suggested lightly by the Montreal engineering firm, and even more lightly referred to by the Secretary of State for External Affairs (Mr. Martin), who has stated of course that even in the unlikely event of the prairie provinces needing to have further water, there are other places from which they could get it more cheaply.

I would like to quote from the brief of the government of Saskatchewan of that day, a brief which I presume was endorsed by the incoming Liberal government of that province, otherwise Dr. Cass-Beggs would not have

appeared before us. It had this to say about the behaviour of the government of Canada in this regard. It spoke of the various possibilities:

> As noted above, neither the feasibility nor the costs nor the benefits of any of these alternatives

—these alternatives to the Columbia river diversion—

> have been evaluated in detail. The diversion routes have been identified on paper only, with little or no on-site investigations of terrain or soil conditions. ...It is interesting that this does not prevent the government of Canada from quoting unit-cost figures from the same Crippen-Wright report in order to "prove" that alternative sources are considerably less expensive. These figures, of course, are meaningful only when considered in the light of the location of our future needs for water, the volumes involved, the diversion routes and the possible benefits....It should be equally obvious that one cannot compare the unit-cost of a diversion of 26,000 c.f.s. into the North Saskatchewan with the unit-cost of a diversion of 6,000 c.f.s. into the South Saskatchewan basin or even into a higher point in the North Saskatchewan basin, whence it could more easily be diverted to the south.
>
> Only the most general conclusions can be drawn safely from the investigations made to date that these conclusions clearly support the view that a Columbia prairie diversion may well be an exceedingly important component of a future water plan for the prairie provinces, considering the location of future water requirements, the volumes involved and the potential benefits to the prairie region and the whole of western Canada.

In his evidence before the committee, Dr. Cass-Beggs had a few things to say with regard to the estimated cost of the various alternatives which were so kindly suggested to him and to the prairie provinces by the knowledgeable Secretary of State for External Affairs (Mr. Martin) by other government witnesses before the committee, and by members of the committee. He pointed out that it might be advisable to take note of the relative distances involved. Whereas the Columbia waters would be some 300 miles from where they were to be used in the prairie provinces, the Peace river was some 950 miles away; that no estimate had been made at all of transmission costs and that, moreover, it would require the immediate investment of many times the sum required to build installations permitting the diversion of the Columbia river to the Saskatchewan basin; that the payment of interest on this vast investment to be undertaken many decades before it would be needed would in itself constitute a burden far in excess of any of the costs involved in the Columbia diversion scheme. These matters, however, were not the subject of careful consideration by government witnesses. They had not been asked to consider them. They had only been asked to consider power and, in one instance, specifically the matter of finance; evidence narrowed almost to the point of disappearing.

We were told repeatedly that there was no danger whatever of losing control of our water to the United States. Doubts were cast on some admittedly second or third hand evidence that plans were being dusted off for the diversion of Columbia river water to the southwestern states of the United States. But only a while ago there were press reports of even more ambitious plans being produced by the Parsons Engineering Company for diverting the Athabaska, the Peace and the Mackenzie along with the Columbia and the Fraser to satisfy the thirst of the southwestern states. Members may say that these plans are grandiose and not likely to be fulfilled, but it would be a bold man who would today place any limit on man's ingenuity. And I do say this: At least they illustrate the fact that there are thirsty eyes in the United States fixed on Canada's water resources while at the same time we have thirsty eyes at home which have been looking to the government of Canada to protect their future water requirements.

I am fully in agreement with the idea that we must co-operate with the United States; no one in his right senses would have any other attitude toward this development. I have been surprised at the manner in which government witnesses and government members on the committee have erected a straw man composed of the suggestion that if we did not go along with this treaty the Americans will pick up their marbles, go home and refuse to play. Nothing could be more ridiculous or more absurd. We are told, in spite of all the evidence to the contrary, that the Americans have alternative storage basins for flood control. But the slightest examination of the evidence shows that all the storage basins they have are subject to the most severe pressure from local interests for other use and even if they were available they would not be of sufficient size to satisfy flood control requirements. The very suggestion that the Americans are only casually interested in the treaty and have merely signed it in order to accommodate their good Canadian friends is too difficult for me to swallow, particularly after conversations I

had in Washington with Senator Mansfield of Montana.

I went down to see Senator Mansfield to find out one or two things from him. I wanted to know, for instance, whether it was correct that at some point in the proceedings the Americans were prepared to drop the Libby project from the treaty. Senator Mansfield made no bones about it. He said: I told them on more than one occasion that I was quite prepared to drop my demands for the Libby dam if that was the price we had to pay for the treaty. This, in spite of the fact that the Libby dam was, as he said, extremely important to him politically as the senator from Montana, the state in which the dam would be situated. It indicated something else to me. It indicated that the Americans are much more in need of this treaty than Canada is, and to have gone into the bargaining room under the impression that the Americans had to be coaxed to come here was a piece of infantile nonsense and a complete misreading of the situation facing the United States today both with regard to their water requirements and with regard to their requirements in the field of flood control. I am convinced that had we been represented by more resolute and, perhaps, better equipped negotiators it might have been possible to have returned with a treaty which would protect the rights of Canada much more effectively than this document does. May I call it ten o'clock?

Mr. Martin (Essex East): I wonder if I could suggest to the hon. gentleman who is making a very interesting speech, although he would not expect me to say that I agreed with it, that he continue his remarks until they are completed? Perhaps we could allow the hon. member to go on until half past ten?

An hon. Member: No, they are on a filibuster.

Mr. Cameron (Nanaimo-Cowichan-The Islands): No, I am not going on tonight, thank you.

BUSINESS OF THE HOUSE

Mr. Churchill: May I ask if we are continuing with the Columbia river debate tomorrow, and what is the prospect for Monday and Tuesday?

Mr. MacNaught: Tomorrow we will go on with the Columbia treaty question, and if it is finished we will take up the second reading of the measure to amend the National Housing Act. If that should be finished tomorrow we would then take up the second reading of the measure to amend the Export Credits Insurance Act. But if it is not finished until Monday, the second reading of the act to amend the National Housing Act will be followed by consideration of the measure to amend the Farm Credit Act.

PROCEEDINGS ON ADJOURNMENT MOTION

(Subject matter of questions debated under adjournment motion.)

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

CANADIAN BROADCASTING CORPORATION—LEGAL ACTION RESPECTING PROGRAM "TWENTY YEARS LATER"

[*Translation*]

Mr. L. J. Pigeon (Joliette-L'Assomption-Montcalm): Mr. Speaker, on May 21 last I directed the following question to the Secretary of State (Mr. Lamontagne) who is responsible for the C.B.C.:

> Does the minister intend to recommend that the government take legal action against the C.B.C. following the program "20 ans Express" presented on Saturday, May 9, which was an insult to religion and which questioned the value of religious teaching in Quebec?

Mr. Speaker, following that broadcast, I received several letters of protest—

An hon. Member: How many?

Mr. Pigeon: —including that of Mr. René M. Coderre of Joliette, who wrote an article in the May 13, 1964 issue of *L'Action Populaire,* from which I wish to quote a few extracts:

> A recent program on CBFT (20 Ans Express, on Saturday, May 9) left us aghast.
>
> Leading questions to the people interviewed gave the audience the impression that religion is on the way out in Quebec: the young would be about to lose their faith because their convictions are based on prohibitions and occasions of sin. Reportedly, religious teaching after grade school would be worthless. It would consist of a more subtle indoctrination carried out by teachers who place themselves at the level of their students and who hypocritically pretend to be on the side of our youth to instil them with the principles of a lost cause.

Mr. Coderre continues as follows:

> Have we, Roman Catholic French Canadians, no pride; no company or political party would tolerate such a program without taking legal action against the responsible parties. And this is our public broadcasting, subsidized with our money, which

gives us such outrageous and perfidious disservices. I can hardly believe it.

And the author adds:

Could a teenager not try on his own to find the religious enlightenment which he lacks?—instead of accusing his teachers. And could not the C.B.C. show a little better judgment in the choice of some masters of thought which it suggests to our young people?

Mr. Speaker, it is high time that something be done to stop the C.B.C. from showing certain programs and certain films. Many protests are now heard in this respect, and I wonder whether it would not be proper for the government of the province of Quebec to assume its responsibilities, as the censorship is under its jurisdiction, or else, whether it would not be possible for the minister in charge of the C.B.C. to suggest to its management without impinging on the corporation's business the setting up of an organization of parents, educators, and even religious authorities, who would supervise the programs and films shown on television.

In order to allay the doubts which now exist in the minds of Canadians with regard to the C.B.C.'s activities, I think that now is the time for the government to set up a royal commission in order to satisfy the public. There has been abundant criticism, and rightly so.

I do not wish to launch a direct attack against the C.B.C. personnel, because there is some good in that corporation. It employs most distinguished columnists to inform the Canadian people. But I think that there is some abuse in the showing of films and programs by the corporation, and a royal commission might clear up the situation, correct abuses and, by that very fact, result in appreciable savings, by eliminating some expenses which, in some cases might be unwarranted.

When the money of the Canadian people is used to present films which should not normally be shown at hours when young people are watching television, I feel that the Canadian people are complaining, with reason, because they do not wish that their taxes be used to exercise a baneful influence on young people.

I hope that the minister who is responsible in the house for this corporation will assume his responsibilities. By all rights, I think that it would be advisable to institute a royal commission in order to examine the activities of that crown corporation which is now subjected to so many criticisms on account of certain films and programs.

[Mr. Pigeon.]

[*Text*]

Mr. J. B. Stewart (Parliamentary Secretary to Secretary of State): Mr. Speaker, I should like to assure the hon. member that his views will be transmitted to the Canadian Broadcasting Corporation.

I am informed by the Canadian Broadcasting Corporation that the series of programs to which the hon. member makes reference is designed to be an informative series for young people. Each program deals with current topics of interest to the young people of French Canada. In the program in question many of the students interviewed were members of Roman Catholic youth organizations, which, along with some student newspapers, had conducted surveys into the practice of religion by young people and the teaching of religion in schools in the province of Quebec. The interviews gave these young people an opportunity to set forth their reactions to the results of these surveys and the opinions expressed by those who were interviewed.

FLOODS—BRITISH COLUMBIA—POTENTIAL DANGERS ON SKEENA RIVER

Mr. Frank Howard (Skeena): Mr. Speaker, many of the residents in British Columbia, particularly in valleys through which run large rivers, are facing one of the most serious situations in the past 16 years, namely the potential flooding of those areas because of the cold weather and late run-off of snow in the mountains. This question was initially raised a few days ago by the hon. member for New Westminster (Mr. Mather), who has a great interest in this matter, as does the leader of our party, of course, coming from the constituency of Burnaby-Coquitlam; and so far as the Fraser valley is concerned, I know the Minister of Northern Affairs and National Resources (Mr. Laing), whose birthplace was right along the banks of the Fraser, being a native British Columbian is also very seriously concerned about the potential flood danger. In fact, I do not think there is a member in the house who may have knowledge of it who is not vitally concerned about it.

We have had floods before in British Columbia from the same causes, the last one being in 1948 and the one before that, in the memory of my contemporaries anyway, in 1936. It seems that on each occasion this flood damage occurs governments look at it from the point of view of hindsight rather than foresight. This has been the case with

previous floods and it looks very much as if it is the case now. Following the damage that was wrought to the river valleys of British Columbia in the 1948 flood there was established a diking board for the Fraser river area, financed 75 per cent, I believe, by the federal government and 25 per cent by the provincial government. It engaged in an extensive diking program. Since that time the dikes in that area have been allowed to deteriorate, regardless of the fact that the Fraser river board, which also was appointed following the 1948 flood, in 1958 in its preliminary report, I believe it was, or one of the interim reports pointed up this seriousness and recommended that the amount of some $17 million be spent to bring the dikes in the valley up to the 1948 flood peak level; but nothing has occurred.

Unfortunately we in the northern part of the province, particularly along the Skeena valley, did not have the benefit of any such board to study and survey the situation, but it does not appear to matter much because we there, too, are faced with equally as disastrous a situation as they are in the lower Fraser valley regions, perhaps the only difference being one of population. In a situation such as this, communities large or small should be protected to the full. There are millions upon millions of dollars of land value, of investment by people, of homes, and their savings and lives involved. Very easily all these could be wiped out of existence. Yet we get the sort of answer, in regard to dealing with this situation, that we got earlier today from the minister. I am not blaming him for having given that answer; under the circumstances it was obviously the only one which he could give. I asked whether any federal agency was going to be able to assist or step into the picture, and in reply the minister said he was quite certain that the government of Canada would act, in the normal course of events, upon application of the government of the province of British Columbia.

To my mind it is high time that we quit looking upon the British North America Act and its jurisdictional barriers as an instrument to prevent action on the part of the government to save the lives and property of people of this nation. We are in the midst of a great controversy about amending the British North America Act. Surely this is one of those things that we should be able to get immediate agreement upon in order to allow such organizations as the emergency measures organization, which is relatively useless for any other purpose, to be able to assist people and work with them to preserve their property and prevent damage taking place.

Surely to heaven, on the heels of the disaster that befell the Albernis and other parts of the west coast of Vancouver island, we should have learned that it is necessary to move quickly. I urge the government: Please do not wait for Premier Bennett to send a letter asking for help. Offer it immediately. Show some courage and determination at the federal level to indicate that the government of Canada is also interested in the preservation of lives and property. Let us start from that point and forget about the barriers that the B.N.A. Act may present. Let us take the initiative and make it clear that we are willing, able and desirous of offering all possible help because, after all, the people who live in the Fraser valley and in the Nass and Skeena valleys are equally important as those who live in other parts of the nation and we should not allow the whims of the premier of a province with regard to whether he should wire, write or phone for assistance to be the guidepost with respect to whether or not we should help.

Hon. Arthur Laing (Minister of Northern Affairs and National Resources): Mr. Speaker, I think that the hon. member for Skeena has made a very worth-while contribution tonight in his review of the situation in our province of British Columbia. We are a province with a very great proportion of the area set on end, and when we have snowfalls out of the ordinary, as we have had during the past winter, we are always troubled when the spring thaw sets in. With temperatures exceedingly low up to the present time and freezing remaining at a very low level of about 2,000 feet on the hills, a sudden change in temperature at this time causes the people of these valleys to worry.

We are fortunate that in spite of a somewhat higher snowfall during the winter the water content of the snow does not seem to be higher than normal and is probably even lower than normal. The hon. member made special reference to the Fraser valley and the great flood of 1948. There was a much greater flood in 1894 but there were very few people in the Fraser valley at that time. But in 1948 the losses incurred amounted to $18 million to $20 million, and it is quite obvious that if a disaster of the same magnitude occurred today the losses, due to the tre-

mendous increase in the value of the improvements on the flood plain, would probably be $80 million to $100 million. We are aware of these things.

The hon. member makes the charge that hindsight instead of foresight has been used. I cannot agree with him entirely in that respect. He will recall the fact that we tabled the final report of the Fraser river board not very long ago. I wrote immediately to the responsible minister in British Columbia, Mr. Williston, suggesting that we should do one thing or the other, that we should use the report which had cost us a lot of money or we should discard it. I wanted to speak to him at once and he came to Ottawa immediately thereafter.

He is already investigating the engineering in respect of an expenditure of about $5 million to strengthen the dikes, which is the first requirement in the Fraser valley. After that we propose to use the Canada Water Conservation Act to build some dams in the tributaries of the Fraser which, if properly built, should take care of that area for all time. He makes the further suggestion that there should be a permanent organization and I think it has much to commend it. However, that is a suggestion which I think might well be a matter for discussion between the federal government and the provinces the next time we meet.

I think the first suggestion made in that regard was made by Reeve Emmett of Burnaby who, when his municipality was asked for a contribution toward Alberni, suggested that this was improvident and we should have a permanent organization—

Mr. Deputy Speaker: Order; I regret that I have to interrupt the minister but his time has expired.

LABOUR CONDITIONS—PROVISION FOR UNEMPLOYED NOT RECEIVING UNEMPLOYMENT INSURANCE OR SOCIAL ASSISTANCE

[*Translation*]

Mr. Lucien Plourde (Quebec West): Mr. Speaker, my question was directed to the Minister of Labour (Mr. MacEachen). I was asking him what action he intends to take concerning unemployed persons receiving no unemployment benefits or assistance.

If I asked such a question, Mr. Speaker, it is because I get letters every week from many heads of family and hundreds of young men who are out of work and who receive no unemployment benefits or assistance from the province.

I ask the minister what he intends to do for those people without any income, because their families live in the most dreadful poverty.

There is the case of a young man of 22 who was told "Go to such school and you will get a cheque at the end of the month". Imagine his disappointment when at the end of the month he got a cheque for $10 only, since he had had to dress better and incur transportation and other expenses.

Mr. Speaker, the unemployed are convinced that the government does not care about their condition and that we forget about them. The government must do something for those hundreds of unemployed without income. Wherever they apply, they are told: "No work; full staff".

My riding is mostly made up of workers. Those people are willing to work, but we must find them jobs. That is all they are waiting for to get rid of poverty in their homes.

I agree with what Mr. Firestone said, as reported in today's *Le Droit:*

> In a lecture he gave Wednesday at a seminar on the organization of labour held in Manitoba, Mr. O. Firestone, vice-dean of the faculty of social sciences at the University of Ottawa, stated that one Canadian out of five was living in poverty.
>
> A former economic adviser in the Department of Trade and Commerce and a member of the royal commission on health services, Mr. Firestone pointed out that 21 per cent of Canadians are quite poor, but that much greater attention was being paid to the 300,000 unemployed than to the 3.8 million people who are living in a constant state of poverty.
>
> Mr. Firestone added that poverty is one of the four major economic problems which Canada must face...
>
> To overcome poverty would not only serve the poor but "would also contribute to strengthen our economy, increase economic growth and raise the level of employment and everyone's income".
>
> The lecturer recommended also to increase the means which would allow youth to receive a better education and take advantage of technical training. Mr. Firestone believes that social assistance programs ought to be developed.
>
> Moreover, Mr. Firestone advocated an increased assistance to farmers and industry so as to improve the income of employers concerned in those enterprises.

Mr. Speaker, the crucial problem in this country is not the Canadian flag or the national anthem, but rather unemployment. The house should without any delay grapple with this evil.

Let us help the financing of new industries and guarantee employment to Canadians. That is what they want first. Then we can take the necessary time to talk about the government's flags.

When Mr. Firestone said that the government paid more attention to the 300,000 unemployed than to the 3,800,000 people living in constant poverty he was right, since most of the applications for jobs which were sent to me came from that group of 3,800,000 people, and the government does nothing for them, because they are not unemployed registered under the act.

I am not so sure that the government is taking care of the 300,000 registered unemployed, because I read recently in an article on this subject that it seems as though this number is quite normal, considering the population of the country.

I think it is high time that the minister should take action in this regard. I would be happy indeed if he would tell the house, tonight, what he intends to do to help the unemployed who receive no assistance, in order to put an end to this shameful unemployment in our country which is supposed to be so wealthy.

The first freedom of every citizen, in my view, should be the right to work, and the state should promote this freedom of our citizens in making available to them the opportunity of earning a certain income.

[*Text*]

Mr. J. A. Byrne (Parliamentary Secretary to Minister of Labour): Mr. Speaker, the objectives of the hon. member for Quebec West (Mr. Plourde) are certainly of the highest order. I can assure him they are the objectives of the government, and that the government has not lost interest in or concern for those who are unemployed and living in the circumstances described by the hon. member.

One of the best ways we could assure that our program to help these people can be placed in effect is to get a little more cooperation in the house in order to implement the program. Last June the minister announced a ten point program of manpower development, and the hon. member cannot ignore the fact that the federal government pays 50 per cent of the assistance, that is, in addition to the unemployment insurance, when the unemployment insurance runs out, to an employee or head of a household entitled to unemployment assistance.

The hon. member's question of June 2 indicated that this person was deprived of certain assistance. I think perhaps that is an error. Social assistance is not terminal unless of course it has been determined by a welfare officer that a person is simply not entitled to social assistance by virtue of the fact that he may not be spending it in the manner for which it was intended. If a person loses the right to social assistance, this is a matter for the welfare officers of the municipalities and the provinces.

We have the Unemployment Assistance Act and in addition we provide pensions to those who are handicapped by one reason or another, and who are unable to earn a living. Then again we have the training and retraining program. We have endeavoured to bring in legislation that would provide an extension of family allowances to young people who wish to continue their studies. We will return individuals to school, even those who have families, and I am sure the hon. member cannot say that the government is not doing as much as it can to alleviate the circumstances of these people.

Motion agreed to and the house adjourned at 10.26 p.m.

HOUSE OF COMMONS

Friday, June 5, 1964

The house met at 11 a.m.

PRIVILEGE

MR. NIELSEN—REFERENCE TO RULING BY MR. SPEAKER

Mr. Erik Nielsen (Yukon): Mr. Speaker, may I raise a very brief question of privilege having to do with Your Honour's ruling yesterday on the two points of privilege raised. The precedent set by Your Honour's decisions yesterday gave me a good deal of concern, and for the future I should like to refer Your Honour to Beauchesne, fourth edition, 1958, page 57, where at the foot of the page in a very brief paragraph these words appear:

> The Speaker's jurisdiction does not extend to words outside the house.

There is a reference there to May's Parliamentary Practice, thirteenth edition. I simply draw these words to Your Honour's attention because of the rather far reaching implications, in my view, that arise out of Your Honour's decisions yesterday on the two questions of privilege that were raised.

Mr. Speaker: I thank the hon. member for bringing this to my attention. Obviously I have not had a chance to read the reference he has just made, but I would point out that my quotation yesterday was from the sixteenth edition of May, and I believe he has referred to the thirteenth edition. However, realizing the importance of this matter I should like to take it under consideration and try to prepare a legal brief for my own satisfaction, if not the house.

Mr. Nielsen: For the future guidance of members, when that brief is prepared would Your Honour inform the house?

Mr. Speaker: Yes. The point is important and in order to render general satisfaction, I hope, I will be very glad to do so.

MR. RONDEAU—RECEIPT IN MAIL OF OBJECTIONABLE LITERATURE

[*Translation*]

Mr. Gilbert Rondeau (Shefford): Mr. Speaker, I rise on a question of privilege.

I want to protest most strongly against the insidious, foul, pernicious and deceitful propaganda, entitled "Quebec 1967, a Canadian province or a clerical state", by Reverend Wilson Ewin, a Baptist minister of Jarvis street, Toronto, which we received in this morning's mail. That document, Mr. Speaker, is the most insulting I have read to date about the French Canadian nation, the Roman Catholic religion and the Roman Catholic clergy of Quebec.

In the name of all our Roman Catholic institutions, our clergy, our French Canadian entity and our Canadian history, I protest, and I want it to be known that I totally disagree with those comments, which can only be harmful to good understanding in Canada.

[*Later:*]

Mr. Gilles Grégoire (Lapointe): Mr. Speaker, my question is directed to the Postmaster General. Does he intend to inquire into the hate literature which is being distributed through the Post Office Department, as for instance the pamphlet sent by Reverend Wilson Ewin and which we received today in our offices?

[*Text*]

Hon. J. R. Nicholson (Postmaster General): Mr. Speaker, I will take the question as notice.

D-DAY

ANNIVERSARY OF LANDING OF CANADIAN FORCES IN NORMANDY

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, 20 years ago tomorrow the men of the armed forces of Canada, along with the troops of our allies, assaulted the beaches of Normandy, beginning the end of a war that had tortured this world for five long years. I am sure that all members of this house want to take a few moments to recall and honour the heroism of the men who participated in that historic day, the longest day for all of them and the last day for many.

Anniversary of D-Day

We can best pay tribute to the hundreds of thousands of men and women who served in varying degree in the struggle of the second world war by remaining faithful to the purposes underlying the cause for which they fought and worked, and died.

On this occasion, however, I think it is appropriate to single out for special honour two men who provided outstanding service and who are in a very real sense, I believe, symbolic of the great contribution made by our people in the war in civil and military roles. I have accordingly, Mr. Speaker, with the approval of my colleagues in the cabinet, submitted today to His Excellency the Governor General advice that General H. D. G. Crerar and Mr. M. J. Coldwell be chosen and summoned to be members of the Queen's privy council for Canada. The Governor General has approved that advice and General Crerar and Mr. Coldwell will be sworn of the privy council in the course of the next few days.

General Crerar had a brilliant military career and was in command of the Canadian forces that landed on the coasts of France on June 6, 1944. He remained as general officer commanding in chief of the first Canadian army until the end of the war. He made a great contribution, along with the gallant forces he so ably commanded to the ending of the struggle.

Mr. Coldwell was, of course, for 22 years an outstanding member of the Canadian House of Commons. A veteran of the first war, during the second, his wisdom, industry and patriotism were an example of public and parliamentary service in the highest degree. I can think of no one who has better exemplified the standards that we hope to see embodied in the public and parliamentary life of our country.

I trust, Mr. Speaker, that all members of this house will find it appropriate that we honour these two men and, through them, the people of this country whose military and civil efforts of 20 years ago made possible the victory of freedom over totalitarianism and gave us the chance to work for, and the hope to achieve, a better world of peaceful progress for all men.

Right Hon. J. G. Diefenbaker (Leader of the Opposition): Mr. Speaker, on this occasion the house will be a cathedral of devotion to those who served, and to so many who died, in the service of their country 20 years ago. In this house there are quite a number of members who were present on that day when Canada took its place once more in the legions of freedom.

[Mr. Pearson.]

In honouring General Crerar, Canada will honour itself. It is well to remember that, according to the press dispatches of the time when General Crerar received the thanks of the Canadian people at the hands of, and from the lips of, the then prime minister of Canada, Mr. King, he reported that as he left the House of Commons and looked up at the red ensign floating over the tower, he heard from Mr. King the words that a national flag had been created—or words to that effect—as a result of the service and sacrifice of those whom we honour today.

Some hon. Members: Oh, oh.

Mr. Diefenbaker: I do not know the reason for the interruptions. I am simply reporting the facts.

So far as Mr. Coldwell is concerned, he is a fine parliamentarian who gave generously of his time, energy and ability. I know all of us would join with the government in the action taken in honouring him and honouring the privy council by his inclusion.

Mr. T. C. Douglas (Burnaby-Coquitlam): Mr. Speaker, it is most appropriate that the members of the House of Commons should pause in their deliberations to pay tribute to those Canadians who, 20 years ago tomorrow, took part in the landing on the beaches of Normandy. This was the greatest amphibious military operation in world history, and Canada is proud that Canadians participated in that great event. They took part not for military aggrandizement or for any territorial ambitions, but because the people of Canada were convinced that we had to devote all our efforts to destroy nazi tyranny and to prevent the spread of totalitarianism throughout the world.

Many brave men sacrificed their lives on that occasion and in the bitter and bloody battles that followed. Whether or not we are worthy of their sacrifice will depend on the extent to which we are able to build a world in which men can walk the earth with peace and dignity free from racial discrimination and religious intolerance. If we in this House of Commons, in concert with men of good will everywhere, are able to build a world in which there will be peace under the rule of law then these men whom we honour today will not have died in vain.

I want to commend the right hon. Prime Minister for the tribute which is being paid to General Crerar. During the latter months of the war it was my privilege to visit Saskatchewan troops in Great Britain, France, Belgium, Holland and Germany. I had the

good fortune to visit General Crerar's headquarters and, if I remember correctly, slept one night in his trailer out in the field. He was a courteous host, and I was very proud of the high morale of the troops who fought under his command.

This is a well deserved tribute which the government is paying to one of the great soldiers of the last war and I am sure, in accepting this honour, he is doing it on behalf of all the men who fought under his command.

I want to thank the Prime Minister for the honour which is being paid to Mr. M. J. Coldwell, who was the national leader of the C.C.F. and today is honorary president of the New Democratic party. As one who came into the House of Commons with Mr. Coldwell in 1935, as one who has long been a close, personal friend and associate of his, I deeply appreciate this honour which is being conferred upon him.

Mr. Coldwell was a man of peace. I think the Prime Minister was in error in saying he was a veteran of the first world war; I do not think he was. During the years immediately preceding the war he was one of those who advocated that the free nations of the world should take collective action against nazis and fascist aggression, and when the war came he gave his support in this house and throughout the country in the struggle to establish the kind of freedom upon which we could build a social democratic world. All who love and respect Mr. Coldwell will, I am sure, be grateful for the well deserved honour which the government has conferred upon him.

[*Translation*]

Mr. Guy Marcoux (Quebec-Montmorency): Mr. Speaker, 20 years after the landing in Normandy, it is appropriate to make a pause to pay a tribute to the army, air force and navy men who fought in that French zone.

On this occasion I would like to recall the memory of the Chaudière regiment which was the first to land in Normandy, where many of our French Canadian fellow citizens from the province of Quebec were covered with glory.

As the hon. member for Burnaby-Coquitlam (Mr. Douglas) said, we sent our troops to protect a way of life which we believe to be the best and especially to guard against another system which we felt was the opposite of the one prevailing here.

I hope those years of war during which we fought against nazism will not come back, but if we have to fight against another totalitarian system, socialism, we will be able to do so by peaceful means, without being forced to take up arms in order to keep on benefiting by the system we always had and appreciated on the American continent.

Mr. Gilles Grégoire (Lapointe): Mr. Speaker, on the eve of the 20th anniversary of the landing of the allied forces in Normandy, it is appropriate indeed to join the Prime Minister (Mr. Pearson) in paying tribute to all those who took part in that landing and who probably lived through one of the most dreadful and longest days of the century, giving their all for the triumph of civilization in the western world.

Mr. Speaker, I also want to add my wishes to those the Prime Minister and the members who spoke before me addressed to General Crerar, whose memory remains unforgettable to those who fought under his command in Normandy, France and Germany, and to Mr. Coldwell, who sat formerly in this house and proved to be a very able parliamentarian, for the honour bestowed upon them today.

[*Text*]

GENEVA CONVENTIONS

APPROVAL OF CONVENTIONS FOR PROTECTION OF WAR VICTIMS

Hon. Paul Martin (Secretary of State for External Affairs) moved the first reading of Bill No. S-25 (from the Senate), respecting the Geneva conventions, 1949.

Motion agreed to and bill read the first time.

CANADIAN FLAG

REQUEST FOR TABLING OF FORM LETTER REPLIES BY PRIME MINISTER

On the orders of the day:

Right Hon. J. G. Diefenbaker (Leader of the Opposition): I wonder whether the Prime Minister would table copies of the form letters under the heading "Prime Minister" and "Premier Ministre" and over a photocopy of his signature, which are going out to Canadians who communicated with him as Prime Minister of Canada with regard to their views on the flag.

Right Hon. L. B. Pearson (Prime Minister): I have been getting a good many thousands of letters, and I am sure the right hon. gentleman would not want me to table the replies to all of them.

Mr. Diefenbaker: No; the form letters.

Inquiries of the Ministry

Mr. Pearson: I am sending out different kinds of replies to different letters, but I will be glad to table the replies in order to give the right hon. gentleman the information he wants.

Mr. Diefenbaker: I would also like to ask the right hon. gentleman why it is that people who are definitely opposed to his flag design are receiving from him letters purporting to be signed by him "with kind regards" and saying "I wish to thank you for your warm support for a distinctive national flag". Why are people who are opposing the model that he has produced, or anything in the nature of a change, being subjected to letters on his part purporting to signify an approval of that which they condemn?

Mr. Pearson: Mr. Speaker, I wish to satisfy the right hon. gentleman's curiosity about my correspondence, but the right hon. gentleman has been among the first to insist that the red ensign is a distinctive national flag.

Some hon. Members: Hear, hear.

Mr. Diefenbaker: You cannot wipe this aside that way.

Some hon. Members: Oh, oh.

Mr. Diefenbaker: I know that was the endeavour. But I asked him—and I have numerous examples that are being sent to me—about this because these people want to know why Lester B. Pearson signs a letter "with kind regards" and thanks them for the support of this flag that he produced, when in fact they have written him opposing it.

Mr. Pearson: Mr. Speaker, I told the right hon. gentleman that I would look into my correspondence and table it. It might be important, perhaps, if, as a salaried officer of the house, the right hon. gentleman would table some of the replies he is making to the letters he is receiving.

Mr. Diefenbaker: I can tell the right hon. gentleman, Mr. Speaker, that I do not send out an unsigned letter with simply a photocopy signature and "with kind regards" thanking people for that which they did not put before me.

PROCEDURE RESPECTING CONSIDERATION OF RESOLUTION

On the orders of the day:

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I direct a question to the Prime Minister with reference to the arrangements being made for the flag debate.

I wonder whether the Prime Minister is aware of a short sentence on page 298 of Bourinot, fourth edition, which reads as follows:

> A motion which contains two or more distinct propositions may be divided so that the sense of the house may be taken on each separately.

I do not ask him for a definitive answer at this point but I wonder whether he would discuss this possibility with the Speaker in case it might meet with the desire of the house?

Right Hon. L. B. Pearson (Prime Minister): Yes, Mr. Speaker, I am aware of that rule and I will be glad to discuss it with Mr. Speaker.

Right Hon. J. G. Diefenbaker (Leader of the Opposition): A supplementary question, Mr. Speaker. Did the Prime Minister not say the other day that he was not going to divide the resolution, or has he changed his mind on this too?

Mr. Pearson: Mr. Speaker, I did say the other day that we were not going to divide the resolution, and we are not.

Mr. Diefenbaker: Oh, no? Another backtrack.

PUBLIC SERVICE

NATIONAL DEFENCE—BENEFITS TO CIVILIAN EMPLOYEES COMPULSORILY RETIRED

On the orders of the day:

Hon. Michael Starr (Ontario): Mr. Speaker, I would like to address a question to the right hon. Prime Minister and ask him if he can advise the house now whether the government has arrived at a decision on the request of the national defence civilian employees to have extended to them special benefits similar to those now proposed for the members of the armed forces upon severance of employment.

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, it is my understanding that a decision has been conveyed on this matter, and I will be glad to deal with it on Monday.

NOMINATION OF LABOUR REPRESENTATIVE ON UNEMPLOYMENT INSURANCE COMMISSION

On the orders of the day:

Hon. Michael Starr (Ontario): I should like to ask the Minister of Labour whether the Canadian Labour Congress has as yet submitted a name for appointment to the unemployment insurance commission. If so, who is that person?

Hon. A. J. MacEachen (Minister of Labour): The consultations with the congress have not come to the point where any individuals have been proposed.

THE CANADIAN ECONOMY

STEPS TO MEET REPORTED DECLINE IN MANUFACTURING PRODUCTION

On the orders of the day:

Mr. T. C. Douglas (Burnaby-Coquitlam): Mr. Speaker, may I direct a question to the Minister of Finance, drawing his attention to the fact that there has been a 1 per cent decline in manufacturing production for the month of March, the first decline in eight months. In view of the fact that this decline is mainly in non-durable consumer goods, indicating a deficiency of purchasing power, is the minister contemplating any change in government monetary or fiscal policy to meet this situation?

Hon. Walter L. Gordon (Minister of Finance): Mr. Speaker, I do not think too much should be made of a 1 per cent decline in the statistics for a particular month.

An hon. Member: Yes; what's a million?

Mr. Gordon: I can assure my hon. friend that the economic situation in the country is being given daily attention, and I am also pleased to be able to tell him that it seems to me it is going very, very well indeed.

Some hon. Members: Hear, hear.

Mr. Gordon: I think the monetary and economic policies that have been pursued in recent months in fact within the past year have had very marked success.

Mr. Diefenbaker: Following our policies.

Mr. Douglas: A supplementary question, Mr. Speaker. In view of the fact that this 1 per cent decline is in a specific area, and that this is the first decline in eight months when one would have expected an increase, does the minister not think this is a warning signal to which the government ought to be giving some attention?

Mr. Gordon: Mr. Speaker, I can assure my hon. friend that the government pays attention to all the monthly statistical figures, but I am not prepared to interpret it as a warning signal. I think everything points to a continuance of the present upswing.

Hon. Michael Starr (Ontario): Mr. Speaker, a supplementary question. In view of what the minister has said as to the present state of the economy, can he give us a promise that he will not interfere and mess up the new set-up?

Mr. Gordon: Mr. Speaker, I do not find that question a very helpful one. I can give my hon. friend the promise that if action is needed to stimulate the economy or to direct it in one way or another the government will not hesitate to act.

INQUIRY AS TO GOVERNMENT ACTION TO ABOLISH POVERTY

On the orders of the day:

[*Translation*]

Mr. Gilbert Rondeau (Shefford): Mr. Speaker, I wish to direct a question to the Prime Minister. Can he tell us what specific steps his government intends to take to suppress poverty in Canada, a question much talked about at the last national convention of the Liberal party?

[*Text*]

Mr. Speaker: Order, please. This question requires an answer far too long to be given on orders of the day.

EXTERNAL AFFAIRS

CONGO—CANADIANS REMAINING IN U.N. FORCE

On the orders of the day:

Hon. D. S. Harkness (Calgary South): Mr. Speaker, I should like to direct a question to the Minister of National Defence. In view of the withdrawal of a majority of the United Nations force in the Congo and of the steadily deteriorating situation there, could the minister inform us as to the number of Canadian army and air force personnel still in the Congo and when they are to be returned?

Hon. Paul Hellyer (Minister of National Defence): Mr. Speaker, I will take this question as notice.

RECOGNITION OF QUEBEC DELEGATION IN PARIS

On the orders of the day:

[*Translation*]

Mr. Maurice Côté (Chicoutimi): Mr. Speaker, may I direct a question to the Secretary of State for External Affairs?

In view of the brief reply he gave me yesterday to a question I was asking concerning the Quebec delegation in Paris, could the Secretary of State for External Affairs today clarify his answer, which gave rise to confusion in certain circles? For instance, did Quebec request of the federal government

that its delegation be treated on an equal footing with the Canadian representatives, or have similar questions been raised during his conversations with Mr. Couve de Murville?

His answer was no for both parts of my question.

Hon. Paul Martin (Secretary of State for External Affairs): Mr. Speaker, I do not think I have anything to add to what I said yesterday but I will examine the question once again and if I have additional information, I will gladly pass it on to the hon. member.

Hon. Paul Martineau (Pontiac-Témiscamingue): A supplementary question, Mr. Speaker.

Could the minister say whether negotiations are going on between the Canadian and French governments to have Mr. Lussier, the representative of Quebec in Paris, enjoy the same status as Mr. Lapointe, as the province's delegate in that country?

Mr. Martin (Essex East): I have nothing to add to what I said earlier. However, I would suggest that the hon. member examine the replies I gave this morning and the other day in that connection.

[*Text*]

REPORTED DELAY IN NEGOTIATIONS RESPECTING U.S. FISHING RIGHTS

On the orders of the day:

Mr. Frank Howard (Skeena): I should like to ask a question of either the Secretary of State for External Affairs or the Minister of Fisheries, whichever one may wish to answer. I should like to ask either one of these hon. gentlemen whether their attention has been drawn to certain remarks in the *Congressional Record* of the United States by Congressman Tollefson of Washington to the effect that Canada is dragging its feet or is not willing to proceed actively with the negotiations over the so-called historic fishing rights of United States fishermen in what are now Canadian waters.

Mr. Speaker: This is absolutely contrary to the rules according to the instructions given to me, under which it is improper to ask whether statements made in newspapers are correct.

Mr. Howard: With respect, sir, I am not asking about a newspaper; I am talking about the *Congressional Record* of the United States of America. I am not asking the minister whether he thinks the statements are true; I am asking whether they have been drawn to his attention and if he would comment upon them.

[Mr. Côté (Chicoutimi).]

Hon. Paul Martin (Secretary of State for External Affairs): They will be drawn to my attention now.

LABOUR RELATIONS

NORTHLAND NAVIGATION LIMITED—SIGNING OF AGREEMENT WITH S.I.U.

On the orders of the day:

Mr. H. W. Herridge (Kootenay West): Mr. Speaker, I wish to direct a question to the Minister of Labour which I trust is in order. In view of the great dissatisfaction which exists among the membership of local 400, Canadian brotherhood of railway, transport and general workers with respect to the signing of a memorandum of agreement between the S.I.U. and Northland Navigation Shipping Company Limited and all the surrounding circumstances, would the minister bring this situation to the attention of the maritime trustees?

Hon. A. J. MacEachen (Minister of Labour): Mr. Speaker, I will be glad to do that.

GREAT LAKES—NATIONALITY OF S.I.U. NEGOTIATORS

On the orders of the day:

Hon. Michael Starr (Ontario): Mr. Speaker, I should like to ask the Minister of Labour if he has an answer to the question I posed to him a few days ago with regard to whether the S.I.U. negotiating team is wholly Canadian.

Hon. A. J. MacEachen (Minister of Labour): Mr. Speaker, I have directed an inquiry to the chairman of the board of trustees on this point but so far I have received no reply. As soon as I receive a reply I will give the information to my hon. friend.

ADMINISTRATION OF JUSTICE

LEGISLATION RESPECTING DISSEMINATION OF "HATE" LITERATURE

On the orders of the day:

Right Hon. J. G. Diefenbaker (Leader of the Opposition): A supplementary question, Mr. Speaker. With regard to the type of literature to which reference was made some months ago, literature of a particularly putrid nature against the Jewish race and people, the Minister of Justice advised the house that the question was being looked into with a view to determining what action might be taken, and particularly with regard to whether the law as it presently exists is sufficient for the purpose; furthermore, whether

amendments to the Criminal Code would be brought in. Is the minister in a position to advise the house as to that?

Hon. Guy Favreau (Minister of Justice): Mr. Speaker, with regard to the possible application of the law as it exists, and irrespective of what might be my own opinion, I have communicated with the attorney general of Ontario and it is understood that the Royal Canadian Mounted Police will place at the disposal of the Ontario authorities any material which will have been uncovered in this respect so as to make possible the testing of the present provisions under the Criminal Code.

As to the answer which I have already given with specific reference to a certain type of hate literature, I may say that the matter is still being actively pursued by my officers and myself, but a formula which will reconcile freedom of thought and expression and also provide for the necessity to cope with certain situations has not yet been evolved in a manner which is satisfactory to me.

Mr. Diefenbaker: One further question in that connection. Recognizing the great difficulty there will be in the drafting of such legislation to assure, on the one hand, the maintenance and preservation of freedom of speech, and at the same time to move against those who commit a crime against the state when they go beyond the limit of what is regarded as freedom of speech, has the minister sought the opinion of outstanding counsel outside of his department in this regard, and have there been any draft suggestions brought to him from such counsel?

Mr. Favreau: Mr. Speaker, I am not quite sure that I am at liberty to divulge the actual nature or type of consultations which have been going on in this matter, but I must say for the moment that I have had occasion to read an opinion which has been given by one learned counsel at least to the Canadian Jewish Congress.

Mr. Diefenbaker: That is by Mr. Robinette, Q.C.?

Mr. Favreau: Yes. But personally I have not yet sought opinions from outside the department; the discussions have been pursued under my responsibility as legal adviser to the government.

[*Translation*]

Mr. Gilles Grégoire (Lapointe): Mr. Speaker, I wish to direct a supplementary question to the Minister of Justice. Can he assure us that his department will take the same action against those distributing hate literature against Roman Catholic French Canadians in the province of Quebec, as mentioned this morning?

Hon. Guy Favreau (Minister of Justice): Mr. Speaker, I think the first characteristic of hate literature is discrimination. If, as regards this literature mentioned this morning and of which, personally, I had no knowledge, we did not take the same action as in the other kind of literature, then we would ourselves be making discrimination, which we do not wish to do. Consequently, the same procedure will be followed.

[*Text*]

ALIEN INFLUENCES IN TERRORIST ACTIVITIES

On the orders of the day:

[*Translation*]

Mr. Heward Grafftey (Brome-Missisquoi): Mr. Speaker, I too directed a rather similar question to the Prime Minister yesterday and today I give notice of it to the Minister of Justice.

I feel that it is extremely important that I should ask this question.

Mr. Speaker, in view of the reports to the effect that world communism is taking a very special interest in the terrorist activities in our country, has the government ordered a thorough investigation and does it have in its possession evidence of organized foreign influences within those movements?

[*Text*]

Mr. Speaker: Order. It seems to me that this question was asked by the hon. member yesterday, or else this is a super refinement of the question which was asked yesterday. In any event, will he put it on the order paper.

Mr. Grafftey: Mr. Speaker, I should simply like to say that I recognize I asked a similar question yesterday, but the Minister of Justice is back in the house today. I gave him some notice, and I think we are both agreed that in view of the circumstances it is very important that a general answer be made. I believe the minister is ready to answer.

[*Translation*]

Hon. Guy Favreau (Minister of Justice): Mr. Speaker, I thank the hon. member for giving me notice of his question.

However, I must say that I handed it to the R.C.M.P. Allow me to add this. During any investigation made about other terrorist movements, each time the police forces co-operated very closely with the R.C.M.P.

All information was forwarded to the police authorities; but I must advise my hon. friend that when investigations are made about terrorist movements, it would not be in the public interest for me to disclose specific information about such investigations until it has been submitted to the courts.

Consequently, I will have to refrain from answering such questions.

[*Text*]

DISCUSSIONS RESPECTING FUTURE CORRECTIONAL POLICY

On the orders of the day:

Mr. David Orlikow (Winnipeg North): I should like to direct a question to the Minister of Justice. Has the minister received a request for a meeting with the Canadian corrections association and associated organizations to discuss future correctional policy of the government before this policy has been finalized? If so, has the date for such a meeting been set?

Mr. Speaker: This is a question for the order paper.

CONTINUATION OF STUDIES BY FLQ MEMBERS IN PRISON

On the orders of the day:

[*Translation*]

Mr. Gilles Grégoire (Lapointe): Mr. Speaker, I want to ask the Minister of Justice a question. Did he receive a request from the members of the group called the FLQ who are now purging a sentence in Canadian prisons, to the effect that they be allowed to pursue their studies during their imprisonment? Does he propose to grant this request?

Hon. Guy Favreau (Minister of Justice): Mr. Speaker, I shall just answer that such a request has not yet been brought to my attention, but that the question raised by the hon. member is a serious one.

Mr. Grégoire: I would like to ask the minister whether it is his intention to have the matter investigated, and also whether the request has really been made and forwarded to him.

Mr. Favreau: Yes, Mr. Speaker.

[Mr. Favreau.]

Mr. Auguste Choquette (Lotbinière): Mr. Speaker, I would like to ask a supplementary question. Is the Minister of Justice aware that the hon. member for Lapointe was frequently mentioned as the leader of the separatists in the province of Quebec?

Mr. Grégoire: Mr. Speaker, I want to correct the statement of the hon. member for Lotbinière (Mr. Choquette). I must tell him that this is only a figment of his imagination, because there was no such suggestion with regard to me—even if I sympathize with some of their ideas—as head of the R.I.N.

Mr. Choquette: This was suggested, Mr. Speaker.

[*Text*]

BROADCASTING

QUEBEC—REPORTED TELEVISION BROADCASTS OF SEPARATIST PROPAGANDA

On the orders of the day:

[*Translation*]

Mr. Auguste Choquette (Lotbinière): Mr. Speaker, my question is meant for the Secretary of State. In view of the fact that section 10 of the Broadcasting Act requires a network to be basically Canadian, I would ask the minister if he intends to take steps against a television station which has rented broadcasting periods to political parties of separatist allegiance or whether he is thinking of amending the Broadcasting Act, since such a thing runs counter to the provision of a basically Canadian network.

I see the Secretary of State is not here at the present time, so I would ask that my question be put off until Monday evening at ten o'clock, when I can join our ten o'clock bogeyman, the hon. member for Joliette-L'Assomption-Montcalm.

Mr. L. J. Pigeon (Joliette-L'Assomption-Montcalm): Mr. Speaker, I rise on a question of privilege. I have no lesson to take from the hon. member for Lotbinière. If I ask a question which is disallowed, I have the right to ask under standing orders that the matter be discussed after ten o'clock.

Instead of asking questions like the one he just put—I know he is a specialist in matters pertaining to the crown—the hon. member for Lotbinière should ask the Prime Minister to keep a little discipline among his followers so that none of them insults others.

[*Text*]

CANADIAN CONSTITUTION

APPROVAL BY QUEBEC LEGISLATURE OF PROPOSED AMENDMENT

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 press report from Quebec city to the effect that the Quebec provincial legislature may take a ten day break toward the end of this month, will the Prime Minister tell the house whether the government has any assurance from the government of Quebec that the resolution regarding approval of the British North America Act amendment that relates to the Canada pension plan will be dealt with by the Quebec legislature before it takes a break?

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, we expect it to be dealt with next week.

NATIONAL ANTHEM

INQUIRY AS TO WORDS TO BE USED

On the orders of the day:

Mr. Robert C. Coates (Cumberland): Mr. Speaker, I have a question for the Prime Minister which relates to the resolution on the order paper with regard to two anthems for Canada, and with regard to the "O Canada" anthem. I should like to ask the Prime Minister whether the words of this anthem will be the French version and, if not the French version, which one of the English versions?

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, these matters will be discussed when we debate the resolution on the anthem.

NATIONAL DEFENCE

NEGOTIATIONS TO WITHDRAW FROM NUCLEAR DEFENCE ROLE

On the orders of the day:

Hon. Gordon Churchill (Winnipeg South Centre): Mr. Speaker, I have a question for the Prime Minister. In view of the overwhelming nuclear power now in the hands of the United States for military purposes, as disclosed by President Johnson, will the Prime Minister inform the house whether the government is now negotiating out of its nuclear role in accordance with the promise made by the Prime Minister over a year ago?

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, negotiations are proceeding, as has been announced to the house, regarding Canada's defence role in the years ahead.

Mr. Churchill: Mr. Speaker, I should like to ask the Prime Minister if he will disclose to the house the nature of the negotiations going on concerning Canada's future defence role. My question concerned getting out of the nuclear role, which the Prime Minister promised he would do.

Mr. Pearson: Mr. Speaker, this is obviously too large a question to answer satisfactorily on the orders of the day while negotiations are proceeding. My hon. friend has been a minister and he ought to know and does know, of course, that you do not disclose negotiations of this kind when you are in the middle of them.

REPORT OF COMMITTEE ON REORGANIZATION OF MILITIA

On the orders of the day:

Mr. Frank Howard (Skeena): Mr. Speaker, I should like to ask the Associate Minister of National Defence whether he has yet received the report of the Suttie committee.

Hon. Lucien Cardin (Associate Minister of National Defence): No, Mr. Speaker. As hon. members know, the Suttie commission were asked to study the reorganization of the militia. They have finished their work and are now preparing their report. I understand that the first part of the report is now being translated and it should be available within perhaps a week. There will be a second part of the report, which I imagine will appear toward the end of the month.

HEALTH AND WELFARE

PRECAUTIONS AGAINST SPREAD OF U.K. TYPHOID EPIDEMIC

On the orders of the day:

Mr. H. A. Olson (Medicine Hat): Mr. Speaker, I should like to address a question to the Minister of National Health and Welfare. In view of the typhoid epidemic now raging in certain parts of the United Kingdom; also in view of the fact that large numbers of tourists and other people are travelling between the United Kingdom and Canada, is the government taking any special precautions to see that this disease does not spread into Canada?

Inquiries of the Ministry

Hon. Judy V. LaMarsh (Minister of National Health and Welfare): Mr. Speaker, I regret I did not have notice of this question, but it is my understanding that we are taking note of every individual who comes to Canada from Britain. The federal department does not have jurisdiction to do other than what we are doing, namely to report to provincial health authorities the destinations to which visitors are going, so the provincial authorities will be able to keep a close check on whether anything is developing in these individuals.

TRADE

COTTON—DUMPING DUTY ON IMPORTS FROM U.S.

On the orders of the day:

Mr. Eric A. Winkler (Grey-Bruce): Mr. Speaker, I have a question for the Acting Minister of National Revenue. In view of the fact that the United States congress has taken action to provide a direct subsidy to the manufacturer of 6½ cents a pound on cotton, which means that the United States manufacturer will receive the full raw cotton subsidy paid to foreign buyers, does the Canadian government intend to give consideration to apply a dumping duty?

Hon. G. J. McIlraith (Acting Minister of National Revenue): Mr. Speaker, I will be glad to take this question as notice.

WORLD FAIR

REQUEST FOR PROVISION OF THIRD ACCESS ROAD TO BRIDGE

On the orders of the day:

[*Translation*]

Mr. L. J. Pigeon (Joliette-L'Assomption-Montcalm): Mr. Speaker, I should like to direct a question to the Minister of Trade and Commerce. Is it his intention to comply with the request made by Mr. Lucien Saulnier, of Montreal, on behalf of the city of Montreal, as regards the building of a third access road to the Champlain bridge in preparation for the world fair?

[*Text*]

Mr. Speaker: This is a question for the order paper.

Mr. Pigeon: I gave notice to the minister that I wished to address this question to him and he agreed. He is ready to answer the question.

[Mr. Olson.]

[*Translation*]

Mr. L. J. Pigeon (Joliette-L'Assomption-Montcalm): Mr. Speaker, I rise on a question of privilege.

A moment ago I asked a fairly pressing question of the Minister of Trade and Commerce. I gave him notice of my question in order to co-operate with you and save the time of the house. Moreover, the Minister of Trade and Commerce was prepared to answer this urgent question which deals with the visit of Mr. Lucien Saulnier, chairman of the executive committee of the city of Montreal.

I gave notice of my question to the minister and he was willing to answer it. Therefore, Mr. Speaker, I am asking you if it is possible to allow the Minister of Trade and Commerce to answer briefly, since I have already given him notice of my question.

[*Text*]

Mr. Speaker: I must confess I do not recall what the question was at this stage. However, if it is urgent and if the minister is prepared to answer briefly, he can do so with the consent of the house.

Hon. Mitchell Sharp (Minister of Trade and Commerce): Mr. Speaker, at noon and during the early afternoon I will be having a meeting with Mr. Saulnier and Mr. Gérard Lévesque, a minister from Quebec as well as officials of Expo '67 on the question raised by the hon. member.

URANIUM

REPORTED STATEMENT BY PRIME MINISTER CONCERNING STOCKPILING

On the orders of the day:

Mr. R. A. Webb (Hastings-Frontenac): I should like to direct a question to the Prime Minister. At a meeting which was attended by Liberal candidates, held in the Park Plaza hotel in Toronto just prior to the last election, did the Prime Minister state to the Liberal candidate for Hastings-Frontenac that he would see that the stockpiling of uranium would be continued until such time as it was required?

Mr. Speaker: Order. There is much doubt about this question being in order.

Mr. Webb: I should like to serve notice that I intend to debate this matter at the next opportunity.

Mr. Speaker: If a question is out of order I do not understand how the hon. member can debate it.

Right Hon. J. G. Diefenbaker (Leader of the Opposition): I should like to ask why the question is out of order. This is a matter affecting many people in Canada and the Prime Minister, it so happens, was able to announce a contract for his own constituency. Why does the same rule not apply to other constituencies and the members elected therefor?

Mr. Speaker: Well, it seems rather obvious to me that if we were to report and discuss every private conversation in every private meeting held outside the house we would never get any business done in the house at all.

Mr. Webb: This matter has been discussed for some days in the house, and is an urgent matter. Last evening the Minister of Trade and Commerce took the opportunity as has been usual with this government, to announce outside the house the awarding of this contract. I say to you, sir, in my opinion it is obvious that there has been interference by the Prime Minister beneficial to his own riding and detrimental to the rest of Canada.

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, that statement is entirely uncalled for and untrue.

ROYAL VISIT

ATTENDANCE AT CELEBRATIONS IN QUEBEC AND CHARLOTTETOWN

On the orders of the day:

[*Translation*]

Mr. Gilbert Rondeau (Shefford): Mr. Speaker, I should like to direct a question to the Minister of Transport. Following his visit to Her Majesty could he tell us whether or not Her Majesty will be present at the celebrations that will take place in Quebec city and in Charlottetown this year?

[*Text*]

Hon. J. W. Pickersgill (Minister of Transport): I am afraid I will have to give the same answer to this question that I gave to the hon. member for Three Rivers the other day. Perhaps the hon. gentleman should read the privy councillor's oath.

Inquiries of the Ministry

CANADIAN NATIONAL RAILWAYS

CHARLOTTETOWN, P.E.I.—TRANSFER OF MANAGEMENT OF HOTEL

On the orders of the day:

Mr. Heath Macquarrie (Queens): Thank you, Mr. Speaker, for becoming aware of the far right wing of the opposition. I should like to address a question to the Minister of Transport arising out of a question asked him by the older member for Queens on May 25. Is he now in a position to give some indication as to whether the Charlottetown hotel will be transferred to management other than the Canadian National?

Mr. Speaker: May I suggest that this question calls for a detailed answer and should be put on the order paper.

PUBLICATIONS

FURTHER REPRESENTATIONS RESPECTING "TIME" AND "READER'S DIGEST"

On the orders of the day:

Mr. D. M. Fisher (Port Arthur): The other day following the demise of *Liberty* magazine I asked the Prime Minister whether he had had any contact with Maclean-Hunter or the *Liberty* publishers with regard to their situation, and I wondered if he had checked to ascertain what representations he has had or any that he is about to have from these publishers of consumer magazines which may be about to cease publication.

Right Hon. L. B. Pearson (Prime Minister): I have had no contact with the publishers of *Liberty* magazine, nor have they recently asked for any such contact. Some weeks ago I did have a meeting with a representative of Maclean-Hunter Publishing Company in respect of the position of *Maclean's* magazine.

Mr. Fisher: May I ask a supplementary question. Has the Prime Minister any plans in the immediate future to meet those publishers who have put forward to the public the view that *Time* and *Reader's Digest* are the main threat to their continuation?

Mr. Pearson: Well, I have already received representations from them in the past, Mr. Speaker. If they have anything to add to those representations I would be glad indeed to receive them.

INQUIRY OF THE MINISTRY

On the orders of the day:

[*Translation*]

Hon. Théogène Ricard (St. Hyacinthe-Bagot): Mr. Speaker, I have a question for

the Prime Minister. Would he tell the house whether the atmosphere of misunderstanding and distrust which actually prevails between the Minister of Northern Affairs and National Resources of the federal government (Mr. Laing) and the minister of natural resources of the province of Quebec, Mr. René Lévesque, is the new tactic used by the government to promote smooth relations between both governments?

[*Text*]

IMMIGRATION

HAROLD NURSE—STATEMENT ON DETENTION AWAITING DEPORTATION

On the orders of the day:

[*Translation*]

Hon. René Tremblay (Minister of Citizenship and Immigration): Mr. Speaker, on June 1 the right hon. Leader of the Opposition (Mr. Diefenbaker) asked for information concerning the immigration case of Mr. Harold Nurse. The delays required to carry out the deportation of Mr. Nurse, who had entered Canada illegally, were brought about by representations made in his behalf to prevent his deportation and by procedures taken before the provincial jurisdiction courts by Mr. Nurse himself.

Mr. Harold Nurse, aged 31, married, is a citizen of Trinidad by birth. In 1954 he went to the United States and tried to enter Canada at Windsor, Ontario, on July 31, 1956. His deportation was ordered because he could not meet the immigration requirements in force. Mr. Nurse stated that he entered Canada illegally a few days later and has lived in this country ever since.

In August 1959 he married a Canadian and they have a five year old child. The couple have been separated for about two years and a half and Mrs. Nurse has the custody of the child. Mr. Nurse did not provide for his wife and child, and I understand that Mrs. Nurse initiated divorce proceedings on March 25, 1964. The authorities of my department ordered Mr. Nurse, in Toronto, on March 4 last, to leave the country and, in the meantime, Mr. Nurse was placed in custody. His appeal against that deportation order was dismissed by the immigration appeal board on March 20 last.

Before arrangements for his departure from Canada could be completed, representations were received in his favour on April 2 from the high commissioner for Trinidad and Tobago and from his lawyers. Other representations were received on April 6 and April 27.

I revised and studied those representations and confirmed the decision to deport Mr. Nurse, on May 5 last. In the meantime his wife signed an affidavit confirming that she did not intend to live with him in future, and she stated that she had no objection to the deportation of her husband from Canada.

On May 8 last officers of my department endeavoured to proceed with the deportation of Mr. Nurse, but his lawyers applied to the provincial jurisdiction court for a brief of habeas corpus together with a brief of certiorari. That request was rejected by the supreme court of Ontario on May 26 last.

On May 29 Mr. Nurse's lawyers advised my officials that they intended to take further action before the provincial jurisdiction courts and that very long proceedings might follow. Following those representations, the arrangements for the deportation of Mr. Nurse were cancelled accordingly and he was freed on bail.

[*Text*]

Right Hon. J. G. Diefenbaker (Leader of the Opposition): Mr. Speaker, I thank the minister for the details. The man was taken into custody early in March and was held in custody until he was freed the other day. On what date was he freed?

Mr. Tremblay: May 29.

Mr. Diefenbaker: And how many days was he in jail before he was freed?

An hon. Member: Sixty days.

Mr. Diefenbaker: Sixty days of inaction.

NATIONAL DEFENCE

CANADIAN PARTICIPATION IN UNITED STATES MILITARY EXERCISE

On the orders of the day:

Hon. Gordon Churchill (Winnipeg South Centre): Mr. Speaker, I rise on a question of privilege. I would like to know my standing with you. Am I to be recognized in this house or not? I would point out to you, sir, that you recognized three people from the groups in the far corner, and I have been on my feet half a dozen times. I recognize that the Speaker has the privilege of recognizing or not recognizing members, but I do not want to be put to the trouble of getting up and down if I am not to be recognized.

Mr. Speaker: I recognize, of course, that the hon. member, who is a very old and experienced hon. member here, is the house leader for the party with which he is associ-

ated, and during the course of proceedings this morning, if I am not mistaken, he was recognized at least three times. It is the duty of the Chair to recognize different members no matter which section of the house they may be sitting in, and if the hon. member was not recognized as quickly as possible I can only ask his indulgence.

Mr. Churchill: I simply suggest, Mr. Speaker, there are 95 members in the official opposition party.

My question is directed to the Minister of National Defence. Ten days ago I asked a question of the minister concerning a military exercise in the United States, and I am wondering whether the minister has had time to procure an answer to that question.

Hon. Paul Hellyer (Minister of National Defence): Yes, I have, Mr. Speaker. The hon. gentleman was referring to a military exercise called "Desert Strike". I can confirm that there was such an exercise but no members of the Canadian armed forces were attending as observers.

Mr. Churchill: May I ask the minister why it took so long to get an answer to that question?

Mr. Hellyer: Well, Mr. Speaker, I think the hon. gentleman knows that I have had the answer for two or three days, but with the pressure of the long question periods it has not been easy to get the floor and give the answer.

Mr. Churchill: May I ask the minister why, for six days, he failed to rise to get the Speaker's attention to answer this question? I have kept a record of his attendance, and I have noted he made no attempt to answer the question.

Mr. Pigeon: The same old bunch.

POWER

COLUMBIA RIVER—APPROVAL OF RATIFICATION OF TREATY

The house resumed, from Thursday, June 4, consideration of the motion of Mr. Martin (Essex East):

That it is expedient that the houses of parliament do approve the ratification of the treaty between Canada and the United States of America relating to co-operative development of the water resources of the Columbia river basin, signed at Washington on January 17, 1961, and the consequent coming into force of the protocol thereto annexed to the exchange of notes signed at Washington on January 22, 1964, and that this house do approve the same.

Mr. Colin Cameron (Nanaimo-Cowichan-The Islands): Mr. Speaker, in the few minutes I have left at my disposal I want to deal briefly with the sequence of events which led to the change in the plans of the government of Canada with regard to this treaty.

It was extremely difficult in the committee to get clear and unequivocal statements from government witnesses as to the course of events in the negotiations, but it did become clear that at one point at least the alternative plan of the Bull river-Luxor diversion, the elimination of the high Arrow dam and the construction of the low Arrow dam at Murphy was the basis of the plans presented by Canada to the United States. They were, incidentally, approved by both sections of the international joint commission.

It would appear that at this point the government of British Columbia made an intervention which prohibited the following of that plan. There were at the time press reports, which were never denied, of the complete disarray into which the Canadian negotiation team was thrown by this intervention on the part of the government of British Columbia.

I think it is well that we should examine what possible reason there could have been for this intervention. The plan which was presented at that time would have produced, according to the Montreal engineering company, the cheapest possible power production; it would have afforded adequate flood control to meet the requirements of the United States, and it would have supplied the basis for financial arrangements with the United States concerning downstream benefits. It seems strange that there should be this intervention on the part of British Columbia, and one has to look somewhere for the reason.

I think the reason can only be that at that time Mr. Bennett became fully taken up with his Peace river scheme, and it was essential to his purpose to make sure there would be no immediate production of electrical power on the Columbia system in spite of the fact that power from the Columbia system, according to all expert opinion, would be the cheapest power available to the industrial section of the lower mainland of British Columbia. Had Peace river power been available at a cost which would have enabled the provincial government to supply low cost energy to the southern areas of the province there might have been something to this. There were a number of rumours put about, never with any sound technical basis, that it would be possible to deliver power from the

Peace river to the lower mainland at reasonable, if not cheap, rates.

In recent days, however, information has been getting out that the government of British Columbia now faces a crisis because it has become evident, as was known, of course, to many informed people before, that power from the Peace river cannot be delivered to the settled areas of southern British Columbia for anything like an economic cost. The figures now being quoted as tentative estimates of the cost run in the neighbourhood of 10 mills per kilowatt hour.

I suggest to you, sir, that what we are experiencing now with this treaty is nothing short of a fiasco. The settled areas of British Columbia are being denied low cost power. British Columbia is being saddled with the high Arrow dam which produces no benefits to the province except a quick sale of downstream benefits at the cost of flooding an important section of the interior of British Columbia. The inclusion of high Arrow, according to Mr. Fulton, was the result of intervention by British Columbia. Therefore one can only assume that Mr. Bennett was interested in a quick dollar return from the high Arrow dam without consideration for the long range effects of this development. In spite of the fact that it was most difficult to get firm figures from the British Columbia witnesses who appeared before the committee, it is well known that the cost of the high Arrow dam has at least doubled since the original estimates were made, and that the increase has completely destroyed the cost-benefit ratio which was presented to the committee.

The outlook for industrial development in southeastern British Columbia now is left in a very precarious and dim position. The opportunity for low cost power has been abandoned by this treaty, at least for some 10 or 15 years, and this has been done purely at the instance of Mr. Bennett. The door has been shut to any diversion of water to the arid areas of central Canada, and I suggest that quite apart from the legal aspects of the interpretation of this treaty which were put by my hon. friend from Greenwood (Mr. Brewin) yesterday, common sense and experience tell us that vested interests are sure to arise in the vicinity of the Libby dam which would render it politically impossible for Canada to proceed with the sort of development which will be required in our own arid central areas. This situation also is the responsibility of those who are insisting on this treaty.

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

I should like to quote from an editorial in the Calgary *Albertan* of June 2 of this year, in which it is suggested that the three prairie provinces must stand shoulder to shoulder at this juncture and make all haste to present their case to the authorities in Ottawa before they lose their future by default. This is the attitude of fellow citizens in the prairie provinces which has been completely disregarded by this government and by the external affairs committee.

Mr. Martin (Essex East): That is not the case.

Mr. Cameron (Nanaimo-Cowichan-The Islands): The Secretary of State for External Affairs says this is not the case, but he has not answered the argument. He has consistently refused to present a reasoned legal opinion to answer the contention of my colleague from Greenwood. He has also, it seems to me, dismissed altogether the common sense argument that vested interests will of necessity develop in the neighbourhood of the Libby dam, and he persists in asserting something to be true, as he did throughout these hearings, without producing the slightest evidence to support his submissions.

I may say it was a sad spectacle to see certain members of that committee who, by their past statements, knew perfectly well the shortcomings of the treaty, obediently coming to the rescue of the government and asserting that all was well because of the signing of a protocol which, I may say, did not alter in any significant way the conditions of which they had been complaining until a few months ago. To me it was a melancholy spectacle, and I am not surprised at the reluctance evident on the part of some of the hon. members of that committee to take part in this debate; the careful figure skating necessary to avoid the soft spots in the ice created by their past statements, would have been quite daunting.

Mr. Martin (Essex East): On a point of order, may I say it is contrary to the rules to comment on the refusal or failure of a member to take part in a debate. The only reason other members have not taken part in this debate is because they feel there has been adequate discussion in the house. They recognize the importance of passing this measure, and it is a reflection on those members of the committee who have not spoken, to have it said, by the hon. gentleman, that they are afraid to take part in the debate because of the arguments he is using.

I can only say that the arguments used by the hon. gentleman were dealt with ad nauseam in the committee, and the hon. member knows it as well as any other hon. member who served on that committee.

Mr. Cameron (Nanaimo-Cowichan-The Islands): I would point out that if it is out of order for me to comment on the actions of other members of the house in this respect, it is equally out of order for the Secretary of State for External Affairs to put forward his explanation of their failure to take part in the debate. I quite agree with his use of the term "ad nauseam". It was precisely ad nauseam to hear the same assertions repeated and reiterated without the slightest jot or tittle of evidence to support them.

I have outlined the manner in which the government presented this subject to the committee, how every witness they brought before us is involved in the development of the treaty plan, every one. Not one of them could by any stretch of the imagination be called an independent technical witness. I must say I admired the words of the Secretary of State for External Affairs. I always derive great pleasure and great entertainment from his skill in weaving a web of words to cover up or get round, shall we say, embarrassing facts; and I can only conclude by expressing the hope that the hon. gentleman will be able to baffle the external enemies of Canada with the same ease as he baffled and obfuscated the committee on external affairs in the matter of this treaty.

I am aware that there are a number of members of the committee who sincerely believe that this treaty is a good thing for Canada. My regret is this, that they were afforded only the advice of those who were already committed to this treaty plan. They were not given the opportunity they might have been given of studying the matter objectively and reaching their own conclusions. The statements of the Secretary of State for External Affairs made that quite plain.

I am convinced, sir, that within a very short time developments in British Columbia will prove beyond a doubt that this treaty has been a disastrous fiasco for Canada, and I for one do not propose to have my name connected with it in the slightest degree; but I also intend to make quite sure that those who support it will have their names connected with it for the future record.

Hon. W. G. Dinsdale (Brandon-Souris): Mr. Speaker, I had hoped that this resolution might be approved by the house last night and it was for that reason that I hesitated to take part in the debate last evening. Unfortunately the resolution was not approved, and certain statements have been made during the current discussion which make it imperative for me to make a brief intervention in the debate at this time.

When the resolution was before the house for referral to the committee I spoke on that occasion and put my position on the record. In reviewing the words I used at that time, I can say that the viewpoint I held then is the viewpoint I still hold following the long period of deliberation and discussion that took place in the committee on external affairs. I summed up my remarks on that occasion by saying I was sure that the more questions that were asked and the more information that was revealed in the standing committee, the more the decision of the former government that this was a basically sound and good program for Canada would be vindicated.

I repeat those words, Mr. Speaker, because I still believe this is the case. In fact my opinion has been reinforced as a result of the careful examination that took place in the committee. I want to repeat, too, because I think this is important for the discussion, that I do not feel this is the perfect treaty so far as Canada is concerned. No treaty reaches the absolute peak of perfection when it involves negotiation in three sensitive areas of jurisdiction, and I refer to the federal-provincial area as well as that perhaps even more difficult area of negotiation, the Canadian-United States area. But this is a breakthrough in international co-operation as well as in federal-provincial co-operation, and notwithstanding the slight imperfections so far as the ideal arrangement for Canada is concerned, I stand firm in the view that this is a basically sound treaty; and furthermore this is the only treaty—and this has been said many times—that could have been negotiated. In other words, it was the treaty that we are hoping parliament will approve, or it was no treaty at all.

Certainly this is a more positive approach than that which has been taken by the opponents of the treaty, which would mean that the Columbia river, an international river, one of the great river resources of this continent, would continue to meander on its way to the sea without any of the important economic benefits being obtained that are being made possible by the treaty under discussion.

The reason I speak at this time, Mr. Speaker, is that I think it is perhaps still

possible to persuade members of the house who remain critical that this is a good treaty. I was interested in the remarks made by the Prime Minister yesterday in response to a question asked concerning the petition of protest by eminent engineers in this country which was presented to the Prime Minister within recent days. The replies indicated that at least three of those distinguished engineers had changed their minds since signing their names to the petition. I recall the interjection of the Secretary of State for External Affairs that he anticipated there would be further withdrawals from the petition, and I am wondering whether there have been such further withdrawals since yesterday. Could the Secretary of State for External Affairs answer that question, Mr. Speaker?

Mr. Martin (Essex East): I think there have been. I will let my hon. friend know.

Mr. Dinsdale: The Secretary of State for External Affairs indicates that there have been further withdrawals. When you can convince men with the engineering qualifications that were indicated in the information given to the house—Mr. Thomson of Calgary Power, for example, who is an outstanding hydro engineer—that there has been certain misunderstanding concerning the treaty even at this late date, I am sure it is still possible in the course of this discussion to convert a few of the unbelievers.

Mr. Byrne: Don't be too sure.

Mr. Dinsdale: I think the greatest conversion, however, was that of the Secretary of State for External Affairs himself; because during the three years this treaty has been under discussion he himself has come to embrace the viewpoint of the former administration that this is an essentially good, basically sound treaty for the government and the people of Canada.

We spent some time in the committee discussions considering this particular point, and I am not going to rehash the discussion at this time. It is to be found in the voluminous evidence for posterity for those who wish to pursue the subject. But I was interested in getting clarification on this point because I had some slight part in the early negotiation. I think it was demonstrated to the satisfaction of all concerned that the treaty was basically sound and good, and the protocol, on which a great deal of emphasis has been placed by the new administration, was merely a clarification of the principles that had been laid down by this treaty.

I say, Mr. Speaker, that this represents a very significant conversion indeed, because if we were to rehash the record—and I have it before me—we could indicate that the Liberal party which now forms the administration—and I see the hon. member—

Mr. Byrne: There are conversions every day.

Mr. Dinsdale: —for Kootenay East (Mr. Byrne) smiling at me because he knows what I am talking about at the moment—we could put on the record the strong opposition that the Liberal party, when it was in opposition, took against the treaty that had been negotiated by the former Conservative administration. As I listened to the statements by members of the New Democratic party it seemed to me that the position they take now is very similar to the position the Liberal party took when it was in opposition.

Mr. Herridge: That is correct.

Mr. Dinsdale: The members of the New Democratic party still have not been converted to the viewpoint that this is a basically sound treaty. The amendment they put forward yesterday indicates, I think, that they take an attitude very similar to that adopted by the Liberal party when it was in opposition; they want every "i" dotted and every "t" crossed so as to spell out the specific details of the program. This is what the Liberal party, when it became the government, attempted to do in the protocol. It wanted certain points refined and certain ambiguities eliminated. It seems to me this is precisely the position which is taken by the amendment which was put forward yesterday by the hon. member for Greenwood, because it referred to the negotiation of a further protocol or an exchange of letters clarifying the right of Canada to divert, and so on. In other words the hon. member wants to pinpoint a specific aspect of the problem.

This is a complex matter. All the engineering witnesses who appeared before the committee and who had anything to do with the negotiation of the treaty say that this is the most complex instrument which has ever been negotiated in the history of Canada. It is politically complex, it is scientifically complex, and it is quite impossible to spell out in infinite detail every minute aspect in this matter.

In negotiations between Ottawa and a provincial authority and Ottawa and the United States government there has to be a basis of mutual trust, confidence and faith. One could

go on drawing up protocols till doomsday and one still would not be able to guarantee that within the principles outlined by the treaty one would have the precise situation desired with regard to any particular facet of the agreement.

Mr. Douglas: Could I ask the hon. gentleman a question at this point?

Mr. Dinsdale: Yes, certainly.

Mr. Douglas: It is not a matter of dotting "i's" and crossing "t's". Since this is a treaty for 60 years and the legal terminology is important, are my hon. friend and the party with which he is associated satisfied that the treaty gives to Canada the right to divert water from the Columbia river if hydroelectric generation is involved in the consumptive use?

Mr. Dinsdale: I intend to deal with this specific point. In fact I am going to spend most of my time dealing with this right of diversion, if I can delay my answer until that time.

I come now to the criticisms which have been raised. I am not going to deal with the engineering aspects as to the relative advantages of the various sequences. This is another point which is debatable, and the decision has been made to accept the treaty sequence. Neither shall I deal with the merits of the high Arrow versus the low Arrow, because that matter has been dealt with. Notwithstanding the remarks of the hon. member for Nanaimo-Cowichan-The Islands, I feel that this question has been dealt with in a very competent and comprehensive way by the engineers who appeared before the committee. The hon. member for Nanaimo-Cowichan-The Islands suggested that these witnesses were all prejudiced engineering witnesses inasmuch as they were from the respective governments which had negotiated the treaty. However, I would point out that the Montreal engineering firm is made up of a consortium of engineers of the widest experience.

With regard to the time factor, much was made of the fact that the engineer who appeared before the committee on behalf of the water resources branch was a comparatively young man of about ten years' experience.

Mr. Martin (Essex East): Perhaps my hon. friend will agree that his testimony before that committee indicated his exceptional competence and his dedication to the task assigned to him by the government. I think it is only fair that we should say this, because of the suggestions which have been made that public servants have not discharged their duties conscientiously.

Mr. Dinsdale: Mr. Speaker, hon. members are taking my words right out of my mouth this morning and are anticipating everything I am going to say.

Mr. Martin (Essex East): This man is an outstanding public servant.

Mr. Dinsdale: However, the hon. member for Nanaimo-Cowichan-The Islands made something of the fact that this gentleman had only ten years' experience in engineering, and this was entirely within the framework of the water resources branch of the Department of Northern Affairs and National Resources. But I would point out that his opinion was strongly supported by this consortium of the most outstanding authorities who are identified with the Montreal engineering firm. I would say that the very fact that they confirmed the opinion of Mr. Gordon MacNabb shows his competence in the matter. As the Secretary of State for External Affairs has indicated, Mr. MacNabb performed in brilliant fashion before the committee. I worked with Mr. MacNabb when I was minister of northern affairs and when Mr. MacNabb was operating behind the scenes. I think this was the first occasion on which he had appeared in the lion's den in the form of the parliamentary committee on external affairs, and he demonstrated beyond shadow of a doubt that he was fully competent as an engineer to deal with the engineering complexities of this treaty.

I should like also to carry this question of criticism of the Canadian negotiators a little further. Some strong sentiments have been expressed that the Canadian team of negotiators were completely incompetent to wrestle with their more capable counterparts from the United States. We had the pleasure of listening to a former illustrious member of this house and member of the former government, Hon. Davie Fulton, who appeared before the committee to explain his role as chief negotiator for this treaty. I am sure that he too demonstrated a grasp of the subject that was more than impressive. He had been away from the treaty since he left this chamber. He had not been closely in touch with it for some two years, but he indicated it was no superficial knowledge that he had. He was able to pinpoint the trouble areas,

the areas which had been criticized so repetitiously by the critics of the treaty, and I am sure he demonstrated that as the chief negotiator he had all the competence which was required.

Some remarks have been made concerning other engineers who appeared before the committee, remarks indicating a somewhat critical nature. I should like to compare—and I realize all hon. members have not had the opportunity to read the committee reports—the engineering competence displayed by the Montreal engineering representatives and by Mr. Gordon MacNabb as contrasted with that displayed by such critics of the treaty as Mr. James Libby and Mr. Larratt Higgins. It seemed to me that they were more concerned with political polemics than they were with the scientific engineering aspects of the treaty. I need only refer to a publication distributed during the course of the committee hearing, the *Engineering and Contract Record,* which bore on the front in bold red print the words "The Columbia River Scandal". This sounded more like an article in a lurid pulp magazine than an article in a scientific journal such as the *Engineering and Contract Record.* As I listened to these gentlemen I came to the conclusion that one of the reasons they had abandoned a strictly scientific approach to the problem and had begun to indulge in the sort of polemics demonstrated in this article was that they had been overwhelmed by the immense prestige of that distinguished Canadian, General McNaughton, who had in recent months taken a strongly critical view of the treaty.

Mr. Cameron (Nanaimo-Cowichan-The Islands): Mr. Speaker, may I rise on a question of privilege. I noticed that the hon. member included the name of Mr. Higgins in his strictures with regard to certain witnesses before the committee. He also suggested that Mr. Higgins appeared as an engineering expert, but it was made perfectly plain that Mr. Higgins was an experienced hydroelectric economist, and it was in that role that he appeared before the committee. I think this should be made clear, and I object very much to Mr. Higgins being subjected to these strictures.

Mr. Dinsdale: Mr. Speaker, in addition to referring to engineering competence I believe I also referred to scientific competence, and I hope that term is broad enough to cover the representations of Mr. Higgins, who is a social scientist. He is a practitioner of the dismal science of economics. I was endeavouring to be fair. We thought he was going to give scientific evidence, and instead he indulged in polemics. I can give examples if you wish.

Mr. Cameron (Nanaimo-Cowichan-The Islands): I should certainly like to hear them.

Mr. Dinsdale: All right. I have in front of me a summary of an article by Mr. Higgins which appeared in the *Globe and Mail* on January 14 and 15, 1964. In that article he used words to the effect that "John Diefenbaker retained visions of immortality" and he "wanted to sign the treaty". This is Mr. Higgins' explanation of the signing of the treaty on January 17, 1961.

Mr. Cameron (Nanaimo-Cowichan-The Islands): May I suggest that this is quite irrelevant. It was not said before the committee.

An hon. Member: You asked for it.

Mr. Dinsdale: The hon. member asked for it.

Mr. Cameron (Nanaimo-Cowichan-The Islands): This is typical misrepresentation.

Mr. Dinsdale: If I may be allowed to continue, Mr. Speaker, I have been trying to indicate that there were political polemics involved, and I have been trying to demonstrate that fact from the article written by Mr. Higgins which appeared in the *Globe and Mail* on the dates I have indicated. That was Mr. Higgins' point of view.

Before the committee Hon. Mr. Williston, representing the province of British Columbia, was asked specifically why there was seeming haste in signing the treaty on January 17. I asked that question with Mr. Higgins' accusation in mind. Mr. Williston said that British Columbia wanted to sign the treaty because they were afraid the treaty would have to be negotiated all over again as a consequence of the imminent change of government in the United States. It will be recalled that President Eisenhower signed the treaty just before the change of government in Washington. I say that Mr. Higgins' opinion was hardly an engineering or economic one, and that he was indulging in political polemics.

To go on with my remarks, I think these gentlemen were impressed and overawed by the tremendous prestige of General McNaughton, who has been one of the most severe critics of the treaty in recent months. Indeed, the Prime Minister himself came under the influence of the prestige of the same gentleman. I have a statement before me extracted

from the *Globe and Mail* of April 9, 1962, which reads as follows:

> In a statement issued earlier from his office at Ottawa following General McNaughton's charges Friday night, Mr. Pearson said the treaty should be renegotiated at once by a Canadian government which would pay sufficient regard to Canada's interests. General McNaughton would have been a most effective person to act for Canada in the renegotiation of the treaty, which is now more necessary than ever.

The Prime Minister made that statement in 1962, and it indicates that he too was impressed and overawed by the great reputation of General McNaughton, who is a distinguished Canadian. But the Prime Minister has changed his mind. Many competent engineers have changed their minds, and I am hoping that before the debate concludes all hon. members will agree that this is the best possible treaty under the circumstances.

On the subject of General McNaughton's evidence I want to make it abundantly clear that his major opposition to the treaty came after the signing of the treaty on January 17, 1961. This was brought out in the evidence because, as Hon. Mr. Fulton intimated, when it was put to the members of the negotiating team whether the treaty should be recommended to cabinet for referral to the house for approval General McNaughton, while he criticized certain engineering aspects of the treaty, did not disagree with its referral to cabinet to be followed by the approval of parliament. Indeed, he did not come out as a strong opponent of the treaty until April of 1962.

Before I move on to the diversion question to which I referred earlier, there is another aspect of this problem I should like to mention. I think Mr. Fulton demonstrated his basic integrity when he was asked whether he had been a critic of certain aspects of the treaty. He indicated that he was still a critic of certain aspects of the treaty, but he said that he took the matter to the people of British Columbia in the most direct way possible, by way of a direct appeal to the electorate, and the people of British Columbia had made their opinion known in no uncertain terms and in a democratic society we must, after all, accept the verdict of the people.

Mr. Barnett: I wonder whether the hon. member who has the floor, and who comes from another province, is aware that the question of the Columbia river treaty was hardly mentioned in the last British Columbia election campaign.

Mr. Dinsdale: I have only to take the word of Hon. Davie Fulton, who campaigned in the province of British Columbia.

Mr. Cameron (Nanaimo-Cowichan-The Islands): Some of us campaigned, too, and we never heard him speak of it.

Mr. Dinsdale: Mr. Speaker, I think it was Winston Churchill who said that democracy is the worst form of government except all other kinds, and we must accept the verdict of the people.

I come now to the question of jurisdiction, which involves the problem of diversion. I am not going to give any legal opinions here, but where there is a resource which basically belongs to the provincial authorities, and especially where there are areas of joint responsibility, there is no absolute legal opinion that can be rendered to clarify this point. It was for this reason that the former Conservative government in 1961 called together the resources for tomorrow conference. One of the most difficult and critical areas of discussion was this problem of jurisdictional dispute.

To assist in resolving the jurisdictional difficulty a resource ministers council was set up with a secretariat to advise and undertake basic research. It is hoped that from this new breakthrough the continuing jurisdictional difficulties will be resolved.

The question of diversion, Mr. Speaker, is one that I want to dwell upon for just a moment, particularly diversion to the prairies. Here is what Hon. Mr. Fulton said on that particular question:

> The incredible thing here—as with the other criticisms with which I shall deal—is that those who make them show a blithe disregard for the specific, black and white provisions of the treaty —even after their attention has been drawn to them. Or at most they make a grudging admission—"Oh yes—you have safeguarded that right specifically in the treaty, but of course, because of the treaty we will never be able to exercise."

Then Mr. Fulton invited the committee to look at the facts in respect of three areas where this type of criticism is most often asserted. He dealt specifically with the alleged loss of the right of diversion to the prairies or for irrigation and domestic use there or elsewhere. Here is what Mr. Fulton, the chief negotiator, said:

> The fact is that the only restriction is with respect to diversion for power purposes, and then only for the duration of the treaty.

This answers the question that was posed just a moment ago by the hon. member for Burnaby-Coquitlam (Mr. Douglas). Mr. Fulton indicated that he was fully aware of this

problem of diversion, and the treaty was specifically negotiated to take care of all matters with regard to diversion with the exception of diversion for power purposes. Obviously this reservation had to be made because this was, after all, a treaty for the development of power, and there had to be a reservation of this character. There is no restriction on diversion for consumptive purposes—

Mr. Herridge: That is pure hypocrisy.

Mr. Dinsdale: —and that includes irrigation and all ordinary domestic uses.

Now, Mr. Speaker, there is just one other aspect with which I want to deal before my time expires. We must take into consideration the fact that this treaty was not negotiated in isolation. It was the hon. member for Greenwood who said that we wondered why he, a Torontonian, was taking part in this discussion. He has every right to take part in this discussion. The Columbia river treaty was part of a broad policy of national development of the former Conservative administration. A new policy enunciation to permit the export of power, was a breakaway from the old, outworn Liberal policy which had operated since after world war I. There was a decision to go ahead with plans for a national power grid which would make it possible to build, first of all on a regional and provincial basis and then on a national basis, long distance high voltage transmission lines which would make it possible to shunt power back and forth across the country. This makes power a basic consideration in relation to this treaty.

I have one final word, Mr. Speaker. I feel I should utter a word of caution about the importance of emphasizing the wise management and multiple use concept in any resource development. Critics of the treaty have indicated that there has not been sufficient provision for the intangible values in the treaty. I agree heartily and enthusiastically with this viewpoint. This is something that comes under the jurisdiction of the province of British Columbia. We have had repeated assurances from the B.C. hydroelectric authority and from the representatives of the provincial government that these matters are being taken into consideration. This subject, of course, lies within the responsibility of that province. I am sure that if we look at this objectively, if we look at this without any narrow political bias, if we look at this in terms of the long term economic importance of the development of this resource, we will all agree that the Columbia river treaty is a good treaty. It was negotiated, as will be revealed by a close examination of the evidence, with the new concept of the development of renewable resources, the wise management and multiple use concept, in mind.

I am not going to venture into the realm of prophecy as to how history will judge this treaty. This is beyond my ken and the ken of anyone. I think, having had the privilege of listening to such a large amount of evidence, I can safely say that within our capacity, within the capacity of the former government and the present government and the parliament of Canada, we need have no hesitancy in giving our approval to this treaty.

Mr. Pascoe: I have a few words to say on this subject. May I call it one o'clock?

Mr. Martin (Essex East): Could we go on for a few minutes and complete this speech?

Mr. Herridge: One o'clock.

At one o'clock the house took recess.

AFTER RECESS

The house resumed at 2.30 p.m.

Mr. J. E. Pascoe (Moose Jaw-Lake Centre): Mr. Speaker, as I indicated at one o'clock I have a few remarks to make on the Columbia river treaty and two questions to ask the Secretary of State for External Affairs (Mr. Martin), before this very important international agreement passes through the house.

I represent an area of southern Saskatchewan that is vitally interested in assured, adequate water supplies for future development. Other hon. members have emphasized Saskatchewan's situation in this regard and it is not necessary to repeat their statements except to say—and say it very forcibly—that the Saskatchewan river basin is the only significant source of surface water for the settled portion of the prairie region. In the foreseeable future the south branch of the river, the South Saskatchewan river as we call it, in its present drainage basin will not fill all the demands that will be made on it.

My concern over the Columbia river treaty, and I know this concern is shared by my colleagues, is in regard to Saskatchewan's prospects for diversion of additional water where feasible, and when needed. In this

regard, Mr. Speaker, I would like to read a portion of a report in the Moose Jaw *Times-Herald* of October 31, 1963, a report of a meeting of the Saskatchewan rivers development association. It states:

> Diversion of waters from western and northern Canadian rivers into Saskatchewan was advocated by two dinner speakers at the Saskatchewan rivers development association annual meeting here Friday.

One of the speakers was the Minister of Northern Affairs and National Resources (Mr. Laing), and the report states:

> Calling for a greater understanding and sympathy with the problems of all parts of Canada rather than just one province, Mr. Laing said the prairies would suffer a crisis water shortage unless flow is increased.
>
> In addition to predicted population increases, Mr. Laing added that to produce a ton of wheat, 1,500 tons of water are required. Water is essential for agriculture, domestic and industrial use, energy and transportation, he said.
>
> Saskatchewan and the prairie provinces in general have the lowest precipitation rate in Canada —16 inches per year, and as low as 12 inches. Evaporation and transpiration through plants takes up most of this, leaving only an approximate three inches for run-off into rivers, the lowest rate in Canada.

To add to this, Mr. Speaker, there is another report in the *Times-Herald* of May 26, 1964, which originated from Calgary. The opening paragraph of this report reads:

> Alberta proposes to retain some of the water now flowing through the North and South Saskatchewan river systems into Saskatchewan and Manitoba when the province needs additional supplies, R. E. Bailey, chief engineer for the Alberta water resources department, said Monday.

I think these news reports indicate why we are concerned in southern Saskatchewan over future water sources. In this regard I wish to read an excerpt from an editorial in the Moose Jaw *Times-Herald* of May 19, 1964, which deals with the brief that was presented by the government of Saskatchewan with respect to the Columbia river treaty to the standing committee on external affairs, on May 14. This excerpt from the editorial recalls that at page 82 of the brief it is stated:

> The government of Canada should insist that our rivers be viewed as a part of the total water supply of Canada and it has an obligation to ensure the best distribution and use of this water for the nation as a whole.

I want to obtain a definite assurance from the minister in direct language, not in his usual language which is sometimes very difficult to understand clearly, that the treaty does not deny the province of Saskatchewan the right to divert water from the Columbia river into the south Saskatchewan river if such a diversion is feasible and can be carried out in co-operation with the province and the authorities concerned.

Mr. Martin (Essex East): There is no doubt about it, no doubt at all.

Mr. Pascoe: Perhaps the hon. gentleman would give us that assurance when he speaks. As for the brief submitted by the government of Saskatchewan to the external affairs committee on May 14, let me say I am not a member of that committee but I did hear some of the presentations. The arguments in favour of Saskatchewan's right to economically feasible water diversions were clearly presented. There are two questions I should like the minister to answer. I represent the city of Moose Jaw and a large part of the city of Regina. These two cities depend almost completely on water from the south Saskatchewan river which has been pumped over a height of land down the Qu'Appelle valley but which will flow down by gravity when the South Saskatchewan river dam is complete and the huge reservoir is filled. As Moose Jaw and Regina continue to grow, will the Columbia river treaty deny them the right to have water diverted from the Columbia if, as I say, this is feasible? The hon. member for Brandon-Souris (Mr. Dinsdale) states that in his opinion the treaty does not deny this right. Will the Secretary of State for External Affairs (Mr. Martin) give us this positive assurance?

Mr. Martin (Essex East): I have already given that assurance.

Mr. Pascoe: Well, I should like to have the hon. gentleman stand up and put it on the record.

Mr. Martin (Essex East): In answer to the hon. member's question, as was pointed out in the evidence by many witnesses, including the former minister of justice who was the negotiator with respect to the treaty signed in 1961, there is no doubt that article XIII (1) provides for a clear right of diversion for consumptive use.

Mr. Pascoe: Thank you. I wish to have that on record. I think I have heard the minister define what "consumptive use" means.

Mr. Martin (Essex East): That is provided for in the section on interpretation of the treaty.

Mr. Pascoe: My second question concerns the stand taken by the government of Saskatchewan. The brief which the external affairs committee considered was put forward

by the Lloyd government. Has the minister or the government received the views of the new Saskatchewan government? I would appreciate an answer to that question, also.

Mr. Martin (Essex East): In reply to that further question—

Mr. Deputy Speaker: Order. Perhaps I could direct the hon. member's attention to the fact that we are not in committee at this time and that if the minister speaks he will close the debate. I suggest that the minister reply to questions put by hon. members in the course of his closing remarks.

Mr. Pascoe: Thank you. That is the course I thought would be taken. Would the minister take note, then, of those two questions to which I would appreciate an answer.

Mr. Charles J. M. Willoughby (Kamloops): I hope to put on record one of the briefest speeches on this subject, though I hope it will not be the least pertinent, with regard to the resolution before us. I spoke on this matter on March 5, as recorded in *Hansard* on pages 585-588, and hon. members who recall that speech will recognize that as a member of the committee on external affairs which considered this treaty I entered the committee with a definite prejudice in favour of that treaty.

I did so because I had complete confidence in those who negotiated the original treaty. In particular, I had complete confidence in my predecessor, the former member for Kamloops, Hon. Davie Fulton. I had complete confidence, also, in the results of the 18 years of study which had preceded the negotiation of this treaty by the engineers, the legal advisers and the economists who helped prepare it on Canada's behalf. I had complete confidence, too, in the Department of External Affairs which negotiated the protocol, and complete confidence in the ability of the engineering staff led by Mr. Gordon MacNabb who looked into all the details of the negotiations.

For these reasons I entered the committee with prejudice. The question was studied during the hearings—there were probably 48 or 49 sittings through which I sat—and I came away more confident than ever that this treaty is in the best interests of Canada, of British Columbia and of everyone concerned. We studied it from the point of view of power, flood control and diversion. I do not intend to go into all these details; they have been adequately dealt with by other speakers. If any hon. member is still in doubt after listening to the speeches already made on this subject, I suggest he refer to the large volume containing the records of our hearings where he will find that the matters I have mentioned are thoroughly gone into.

As I have said, I came away more confident than ever that Canadian rights are protected, that our sovereignty is protected and that this treaty is in the best interests of everyone concerned. So I stand here as the representative of one of the constituencies in the interior of British Columbia, thoroughly endorsing the treaty because of direct interest as well as national interest. I conclude by saying to the house once more: Let us get on with the job.

Mr. H. W. Herridge (Kootenay West): Before proceeding with the main portion of my remarks I cannot resist commenting on the observations made by the hon. member for Kamloops (Mr. Willoughby) with respect to his confidence in the terms of the original treaty—his confidence in the actions of the present government and in Mr. Fulton's magic. Does he not remember that when Mr. Fulton appeared before the committee and was asked if he still confirmed his previously expressed opinion that this was the biggest sell-out in history since Manhattan island was sold by the Indians, he did not withdraw those remarks?

Mr. Willoughby: May I ask the hon. member a question? Would he tell the house how those remarks originated? They were entirely in connection with the downstream benefits—the benefits being sold rather than returned to British Columbia.

Mr. Herridge: Quite right, and they are being sold today in the very circumstances about which the former minister of justice complained.

Mr. Willoughby: Different circumstances.

Mr. Herridge: I am not answering any more questions. I have a lot to say. The only answer the former minister of justice had to make to the committee with respect to his change of view is that there was an election and it was the second time this tragic figure in Canadian political history, the former minister of justice, bowed his head to the premier of British Columbia in defeat. Certainly, there had been an election, but the election in British Columbia was not on the Columbia question throughout the province.

Mr. Macdonald: On a question of privilege. Obviously, I hold no brief for the former

minister of justice, but what I do say is that the hon. member for Kootenay West is misrepresenting the situation. The former minister made it clear to the committee that he had changed his opinion on this matter, because with Peace river power going into the British Columbia system there would be no market for the downstream benefits of the Columbia project. That was his reason; not what the hon. member said.

Mr. Herridge: The former minister of justice said he had not changed his opinion or the reasons for his previous remarks. He said there had been an election, and he mentioned the Peace power development.

An hon. Member: There was an election.

Mr. Herridge: There was an election, but the election was not on this issue; the election was on the issue of highways, home owner grants and so on. Where there was an election on this issue, let me tell you, Mr. Speaker, was in Kootenay West in the federal election of 1963; and the only candidate of the four running with me who came out in full support of all aspects of the Columbia river treaty was at the bottom of the poll, the Social Credit candidate, with something over 4,000 votes. The candidate from the hon. member's party came out against the treaty; he stood on the platform with me and that Liberal candidate and I were both denouncing this iniquitous treaty. That was an election where this was an issue, because I represent a constituency which is greatly concerned with this matter. I must get on, Mr. Speaker, or else the hatchet man from Rosedale will be taking my time, and I hope that if he does, Your Honour—

Mr. Macdonald: On a question of privilege, Mr. Speaker, the hon. member said I will be taking his time. I can assure him it would be much better used, if I did, than any use he would make of it.

Mr. Herridge: That is a matter of opinion; but that represents the quality of the hon. member's remarks to the committee. I would ask him to wait till I have finished what I have to say this afternoon.

Mr. Douglas: He has been very quiet throughout this debate, you will notice.

Mr. Macdonald: Why don't you follow my example?

Mr. Douglas: That is the worst thing I could do.

Mr. Herridge: I rise this afternoon, Mr. Speaker, to express our complete opposition to this treaty as a very bad treaty for Canada. I say that from a completely non-partisan point of view, which point of view is supported by prominent Liberals, by prominent Conservative and some members of the Social Credit party in my own constituency, plus a large number of my party fans who have continued to support me throughout the vicissitudes of 19 years of political life. In this connection, Mr. Speaker, I want to quote one of General McNaughton's recent statements which was supported and endorsed by Mr. Larratt Higgins, Mr. James Ripley, Mr. F. J. Bartholomew and other engineers. I am doing this, Mr. Speaker, in order to save my time and present in as few words as possible my basic argument. The question is, "What are the basic objectives for Canada?" In this connection General McNaughton said the following:

> —too many people have overlooked the basic purpose of the treaty, which, for Canada, is to secure the best possible development of the Canadian section of the Columbia basin. The United States has developed its section in its own way. Our essential objective must be to develop our section in our own best interest, then share with the United States the added benefits that stem from co-operative use of the water.
>
> No treaty on the Columbia can serve Canada effectively, unless it satisfies the following three principles:
>
> 1. As much of the water which is stored in Canada as possible must be stored at as high an elevation as supply permits. This allows the best physical use of this resource for both countries and provides the most flexibility for all time to adapt to changing needs as these needs develop.

The first of these will be an increasing need for irrigation.

> 2. Control of the waters stored in the Canadian part of the basin must remain in Canadian hands, just as the United States insists, rightly, on complete control of its flows.
>
> 3. Over and above the development that each country does for itself, the further benefits that can be achieved by co-operative effort must be shared equitably.

The next question, Mr. Speaker, is, "Does the treaty meet the basic objectives for Canada?" General McNaughton said:

> The...treaty offends...in almost every article.
>
> 1. Storage at the highest elevation means the fullest use of reservoirs at Mica and Bull river-Luxor. The...treaty does precisely the opposite by placing most of the storage along the United States border in high Arrow and Libby, which are at the lowest possible points available.
>
> 2. Control of the Kootenay flows is placed entirely in United States hands because Libby is in United States territory and Canada has no right under the treaty...to control the outflow. Control of the Columbia river flows is placed effectively in United States hands by...physically locating high Arrow at the border where it is of little use to Canada, and...making the criterion

of operation of Canadian storage the optimization of benefits for the entire system and by requiring joint approval of any operating plans that depart from system optimization.

This gives the United States a veto over anything we do in our storages, Mr. Speaker:

3. The recompense we are to receive under the...treaty is far from equitable either for flood control or power. For power, we receive only 40 per cent of the downstream benefits and even this amount declines over the years while the actual value of our storage to the United States actually increases. For flood control, $64 million (in United States funds) is the payment for a service that would cost the United States $700 million to perform itself.

The next question is, "Has the protocol done much to improve upon the treaty", and General McNaughton said in this regard:

The servitude on Canada was serious under the treaty, as I have been at pains to point out and explain to Mr. Martin, and he has admitted the cogency of the warning I have given, but in the protocol he has indeed, in fact, made our position very much worse—

I was going to make a reference to Mr. Fulton on this subject, but the hon. member for Kamloops (Mr. Willoughby) provided me with an introduction along those lines. Once again let me say I have a great deal of sympathy for Mr. Fulton, who himself made this the issue in the provincial election, but that it was not the issue is clearly indicated from the results of his efforts.

We listened to the evidence presented to the committee by Hon. Paul Martin, Secretary of State for External Affairs, and I pay him a tribute as a great political engineer. I notice from the minutes of the committee proceedings that we heard evidence from the Secretary of State for External Affairs, officials of the various branches of the federal government, the government of British Columbia, with Hon. R. G. Williston, minister of lands, forests and water resources, Hon. R. W. Bonner, Q.C., attorney general; A. F. Paget, deputy minister of water resources, and Gordon Kidd, deputy comptroller of water rights. From the government of Saskatchewan we listened to one of the finest briefs that came before that committee. I am sorry that more hon. members have not read that brief thoroughly, or they would not be adopting the arguments of the Secretary of State for External Affairs with regard to the question as to whether the rights of diversion into the South Saskatchewan river are preserved. Certainly they are, for consumptive uses, but they should ask the minister whether they can at the same time produce the hydro-

electric power necessary to make this economical. That is the complete question.

Then we had evidence from David Cass-Beggs, general manager, Saskatchewan Power Corporation; J. W. MacNeill, executive director, south Saskatchewan river development commission; Barry Strayer, associate professor, college of law, University of Saskatchewan. Then, from the British Columbia hydro and power authority we heard from Dr. H. L. Keenleyside, chairman of the hydro authority, and other officials. In the report of the committee there is also mention of special witnesses, General Hon. A. G. L. McNaughton, C.H., C.B., C.M.G., D.S.O., former chairman, Canadian section, international joint commission; Hon. E. D. Fulton, P.C., Q.C., former minister of justice and chief negotiator, Columbia river treaty. He gave what I would term his political sunset address before the committee.

Then we had engineering consultants and firms and many other interesting witnesses, including Mr. Larratt Higgins, Mr. F. J. Bartholomew, Mr. Richard Deane, and numerous representatives of labour and other organizations. I just want to mention in this respect, before passing on, that the great concern of many people who have been interested in this treaty has been from the water aspect of it. Power can be produced in other ways in years to come, but the evidence indicates that water is becoming more and more valuable. In this connection, Mr. Speaker, I want to quote from the *Globe and Mail* of Tuesday, June 2, 1964. The article is headed, "Water distribution feared crisis of future", and it says:

The problem of distributing fresh water to the people of the world has not yet reached the crisis stage but it must get priority attention if a serious emergency is to be avoided, a U.S. waterworks engineer told the American water works association in Toronto yesterday.

W. R. LaDue, who lectures foreign engineers at the University of Akron, Ohio, said 75 per cent of the world's people live in communities with contaminated water.

He told his audience of waterworks engineers from most parts of the United States and Canada that the total of all the world's water does not decrease through use, but, as world population increases, the amount per person falls off. Distribution is becoming a major headache, he said.

Since yesterday I have had brought to my attention as a result of the excellent remarks on this aspect of the question by the hon. member for Greenwood (Mr. Brewin) a report entitled "Natural Resources in 1984" by Mr. Michel Batisse, chief of the natural resources research division, UNESCO, Paris.

Mr. Macdonald: Where is the hon. member for Greenwood (Mr. Brewin) now?

Mr. Herridge: What is the hon. gentleman saying?

An hon. Member: Why don't you keep quiet?

Mr. Macdonald: I said, where is the hon. member for Greenwood today?

Mr. Herridge: I expect he is busy in his office.

Mr. Macdonald: He has not been in the house all day.

Mr. Douglas: Where have you been most of the time?

Mr. Macdonald: Unfortunately I must listen to your colleague.

Mr. Herridge: The hon. member has the opportunity to leave if he wishes, but he seems to be leaning over his desk with both ears flapping in my direction. Mr. Batisse has this to say:

> Leaving aside the need for hydroelectric power production, for inland navigation and for recreation, where no significant withdrawal or pollution of water is involved, the amount of water used, per capita, for domestic, industrial and agricultural purposes varies enormously from country to country. It ranges, at present, from ten gallons per day in some underdeveloped areas, to the impressive figure of 1800 gallons per day in the United States, where only 6 per cent of this is for domestic uses, the rest being shared by industry and agriculture.

Then Mr. Batisse goes on to mention the tremendous crisis which is developing on this continent with respect to water and how water will cost more and more. He continues:

> As a result, there will be many progressive changes in our habits of thinking about water, about its value, about the interrelation between its uses, about the interdependence of the people living in the same basins with all the legal and political implications this involves.

That is the situation in the Columbia river basin, and on the prairies.

> There will be no shortage of water. It will just cost more. And man will begin to realize clearly how much he depends on it. This will not be new in history, since the ancient Egyptians, the Romans and the Arabs knew the value of water. But for the first time, and forever, modern civilization will become water-conscious.

That is one of the reasons we are taking a close look at the treaty.

I also have an article which has been extracted from the Portland *Oregonian* of April 18, in which a former senator, Len B. Jordan, said, dealing with water resources:

> The best source of more water for the lower Colorado river basin is the Columbia river.

They realized that this is the great source of water for the future, and I do not blame them for their point of view.

I want to say that I wholeheartedly support the arguments advanced by the hon. member for Greenwood and the hon. member for Nanaimo-Cowichan-The Islands (Mr. Cameron), and I will not repeat, as far as I can avoid it, any of those arguments because this is a complicated and complex question but quite often one's argument goes from one aspect to another. However, I want to bring to the attention of the house something which happened during the committee meetings and which has come to my attention, because I see that the minister of northern affairs is now in his seat. Let me say that he was noticeable for his absence as head of a department which has control over water resources. But we overlooked that, Mr. Speaker, and I will tell you why. Whenever his absence was noted—and I do not remember seeing him attend one meeting of the committee while it was discussing the Columbia river treaty—even some of his own members said to me: "Well, I will tell you why it is; he is out praying for rain, so don't bother him at this time".

Then I noticed that Mr. Patterson, who is the director of the water resources branch, the man in charge, came in on occasion, but tiptoed out again. He peeped in to see what was going on, but left the defence of this treaty entirely to that young man whom I admire for his contumacy, Mr. Gordon MacNabb.

Anyway, during the hearings Dr. Keenleyside criticized the right of members of parliament to criticize civil servants. I raised this question in the house. He said that it was constitutionally improper, which is of course a lot of rot. I am glad, Mr. Speaker, that you sustained my right as a member of parliament to criticize civil servants. We have not criticized the ability of our civil servants. We have not criticized their integrity. We have only criticized the fact that they had not sufficient funds or staff, and there is not sufficient planning which springs from adequate funds to permit them to compete with United States army engineers in planning over-all basin projects, the development of hydro, and so on.

I might say in passing that this question was raised in the British house a week or two ago because some prominent members of the Labour party criticized some of the

officials in the foreign office, an almost unheard of thing in Great Britain. They said they were hangovers from the Victorian era who should be booted out, and no one questioned their right to use that strong language in respect to civil servants. This subject may be developed in this house at a later stage in our discussions on estimates.

Now, Mr. Speaker, who has spoken the harshest words about the civil servants? The hon. member for Kootenay East (Mr. Byrne), the present parliamentary secretary to the Minister of Labour, said on December 13, 1962, as reported at 2642 of *Hansard* for that year, the following. Mind you, this is a man who now sits close to the seats of the mighty, and I hope that all those present who are interested will listen carefully to this. He said:

It will be remembered that the Canadian team consisted first of the minister himself—

That is Mr. Fulton.

—who has been described by some of the Conservative papers as a brilliant young man. With that I am prepared to agree in that he is a Rhodes scholar; but he is not a hydroelectric engineer and I am sure he has had very little training in engineering. Then there was Mr. Robertson, deputy minister of northern affairs and national resources. I question whether he has any training in electrical engineering or hydro development.

You should see, Mr. Speaker, the dozens of letters on complex engineering problems which Mr. Robertson signed, but I will come to that later.

Mr. Martin (Essex East): Is my hon. friend referring to Mr. Gordon Robertson?

Mr. Herridge: Yes.

Mr. Martin (Essex East): I am sure my hon. friend agrees that Mr. Gordon Robertson's knowledge of this subject—

Mr. Douglas: Mr. Speaker, on a point of order—

Mr. Martin (Essex East): I am saying this in fairness to a public servant.

Mr. Douglas: He is not referring to a public servant. On a point of order, Mr. Speaker, the hon. member who has the floor is not referring to a public servant but is reading a statement made by the hon. member for Kootenay East (Mr. Byrne) with regard to a public servant.

Mr. Martin (Essex East): Oh, I am sorry.

Mr. Herridge: I am quoting your own side.

Mr. Douglas: This is when you were on this side criticizing public servants.

[Mr. Herridge.]

Mr. Herridge: The hon. member for Kootenay East went on:

Another member of the team was Mr. Ritchie of the Department of External Affairs, a man with very little knowledge of hydroelectric development. Finally, there was Mr. Bassett, the deputy minister of lands and forests of the province of British Columbia.

I am not saying that, Mr. Speaker. I have talked to a number of dear old ladies in Ottawa who tell me that Mr. Ritchie is a wonderful young man and they are very fond of him. They speak of him in the highest terms and cannot quite understand why he has followed this path lately.

The hon. member for Kootenay East went on:

On the negotiating team for the United States there was Mr. Bennett, assistant secretary of the department of interior of the United States. In this capacity he has been working on power system administration for many years. He heads the branch that deals with and sells all federally generated power in the United States including such projects as the Tennessee valley authority, the Bonneville power administration and so forth. General Istchner has been concerned with the Columbia river since early 1950.

He is chief of the army engineers and head of the Pacific northwest division of the corps of army engineers, in which region the Columbia river is situated. In addition to being chief of the corps of army engineers he held the position of head of the United States section of the international Columbia engineering board, and he entered into the negotiations with complete and comprehensive knowledge of the subject.

He mentioned that to illustrate that he thought our people did not have complete and comprehensive knowledge of the subject.

Mr. Byrne: Will the hon. member permit a question?

Mr. Herridge: Certainly, if I do not have time taken off because of it.

Mr. Byrne: Will the hon. member not agree that is the identical information General McNaughton supplied both to the hon. member and myself during those discussions and that I have subsequently said, having gained further knowledge, that I believe that the Canadian negotiators and engineers were some of the most important on this continent?

Mr. Herridge: Yes, that is quite correct since the hon. gentleman became a parliamentary secretary, but not before. Before, he tramped up and down Kootenay East telling the people that the McNaughton plan was the plan.

An hon. Member: Tell the whole story.

Mr. Herridge: I will tell the whole story. I have a lot more to tell, old boy. We did not

make these personal remarks. We were just sympathizing. But what do we find is brought out in the evidence before the committee? There is this fine young Canadian, Mr. Gordon MacNabb, standing, with a shortage of funds and staff, almost alone facing his counterpart, General Istchner and the whole corps of army engineers. We can understand the circumstances in which he finds himself.

During the hearings of the committee we made an effort to obtain information as to what had transpired between the negotiators and we attempted to obtain the minutes of these meetings. They were denied on the ground that they were confidential to the cabinet and covered by the oath of secrecy. However, during the time that Mr. Barry Strayer was giving evidence before the committee for the Saskatchewan government, Mr. E. R. Olson of the Department of Justice sent a note to the hon. member for St. Lawrence-St. George (Mr. Turner) who read it and later tore it into 62 pieces. It was picked up and we have managed to piece them together again. I am going to read the note.

Some hon. Members: Oh, oh.

Mr. Herridge: Let me say this before I read the note. These gentlemen from the Department of External Affairs, the water resources branch and the Department of Agriculture, all federal departments, were sitting at the back of the room and were sending up notes and whispering in the ears of Liberal members. The members of the New Democratic party never got a single note from any one of these gentlemen and they never whispered in our ears once. We feel a bit slighted about this. We think that civil servants should provide the opposition as well as the government with information.

Mr. Macdonald: You were not looking for the facts.

Mr. Herridge: I have got the note here.

An hon. Member: You were listening to McNaughton.

Mr. Herridge: It is beautifully written. This note is addressed to the hon. member for St. Lawrence-St. George. Mind you, this was written after we tried to get this information. I have the original and I am going to put it in my museum. This is what Mr. Olson wrote:

> Could you ask him—

He is asking the hon. member for St. Lawrence-St. George to ask Mr. Strayer this question. The government did not bring Mr. Olson forward to give evidence to counteract what Mr. Strayer had said, the best legal evidence that was given. They thought it was best to keep Mr. Olson quiet.

Mr. Macdonald: On a question of privilege, Mr. Speaker, that is another misrepresentation by the hon. member. Mr. Olson was brought forward and was available for examination by the hon. member for Greenwood if he had sought to question him on this point. In fact, at page 136 of the proceedings the Secretary of State for External Affairs specifically invited the hon. member for Greenwood to examine Mr. Olson on this question, and I invite the hon. member to point out to me anywhere in the hearings where the hon. member for Greenwood took advantage of this opportunity and pursued with the authors of the government's legal opinion the basis upon which this opinion was given.

Mr. Herridge: After hearing this magnificent testimony from Mr. Strayer we fully expected that the government would bring forward its legal shock troops in the form of Mr. Olson, and we were surprised that it did not. Let us get on with this note.

Mr. Macdonald: Let us get on with the facts.

Mr. Herridge: Mr. Olson is asking the hon. member for St. Lawrence-St. George to ask this question of Mr. Strayer:

> Would your opinion re out of basin diversions be changed or subject to modification if it turned out that a prior draft of the treaty contained language supporting your conclusion but was subsequently replaced with the unlimited language of the actual treaty?

Then there is a note to the hon. member for St. Lawrence-St. George from Mr. Olson in these words:

> Such is the case in fact but if it is put hypothetically there is no disclosure.

The note is signed "E. R. Olson, Department of Justice". I mention this because we object to this disclosure of information that we were denied. I have inquired about the matter and I understand that the parliamentary secretary has no right to secrets that are held by members of the privy council. This information was asked for by the committee and denied on the basis that it was confidential, but then it was disclosed by Mr. Olson to the hon. member for St. Lawrence-St. George. We object to the information being given to one member and denied to others.

Before proceeding with related aspects of this development I want to quote the hon.

member for Kootenay East again because there are some good quotations from his past history. On December 13, 1962, the hon. member for Kootenay East made these remarks, and I refer to them because there has been some question as to what was the original development with respect to negotiations, and it has been mentioned by members on this side and by others that in the first instance the government of Canada started to proceed to negotiate on the basis of the McNaughton plan. I want to bring the hon. member for Kootenay East to my support again, and this is what he said as found on page 2642 of *Hansard*:

> These are the teams that came face to face in a highly technical discussion. Soon after the teams got to work it would appear, as I think the minister will agree, that they had come almost to the point of signing an agreement based on the original international joint commission principles which in effect comprise the preset McNaughton plan. They were about to sign what is now considered the McNaughton plan when Premier Bennett of British Columbia or one of his negotiators walked into the negotiations, pulled the rug out from under their feet and said that there would be no flooding of the Kootenays. This was the first doublecross.

We have proof positive from the distinguished member for Kootenay East of the basis on which the original negotiations started. I do not think there should be any further reference to that subject now.

I intend to deal with many of the aspects of this question as quickly as possible, and I wish to refer now to the telegraphed petition sent to the Prime Minister (Mr. Pearson) and signed by 19 engineers urging further consideration of the Columbia treaty prior to ratification by parliament. In reply to a question I asked him the Prime Minister informed the house yesterday that three of these engineers had withdrawn their names as a result of a telegram they had received from him. I wish to deal with this question for a few minutes.

I have a copy of the telegram to the Prime Minister from these 19 engineers. I have a photostat copy of the original signatures, but I am not going to take the time of the house to read the telegram. It urges the Prime Minister to reconsider this question before he commits the country to an irrevocable course of development for this river. I have a copy of the Prime Minister's telegram to these people. One can see from the length of the telegram that the Prime Minister was very concerned about these 19 prominent engineers urging delay in the ratification of the treaty.

Yesterday in reply to a question I asked he mentioned that Mr. P. M. Sauder had replied that he was not supporting the petition. He says in his telegram that he is going to leave it to parliament to decide the matter. He does mention that we should retain the right to decrease the allotments to the United States if Canada is short of water at any time for domestic, municipal, industrial or irrigation purposes.

Then, there is one from Mr. J. B. Stirling, vice president, and there is one from G. H. Thomson. I am not going to take the time of the house to read them.

However, the telegram from the Prime Minister is more ambiguous and more uninforming than the official statement made by the Secretary of State for External Affairs (Mr. Martin) before the committee. You can well understand, having received this assurance from the Prime Minister of Canada (Mr. Pearson), that these people might respond in this way to his appeal.

I have a copy of the metropolitan issue of the *Globe and Mail* which came in about half past ten this morning. There is an article in it entitled, "Commons Rejects N.D.P. Move to Add Rider to Columbia Pact." This article may be some guide as to why people have withdrawn their names. I quote:

> The engineers, among 19 who signed the petition during the annual meeting of the Engineering Institute of Canada in Banff, Alberta, last week, were John B. Stirling, of Montreal, Chancellor of Queen's University; P. M. Sauder, a life member of the institute, and G. H. Thomson, president of Calgary Power Limited.
>
> Mr. Thomson is also a vice president and director of Montreal Engineering Company Limited—

Mr. Cameron (Nanaimo-Cowichan-The Islands): Where did we hear that name before?

Mr. Herridge: Yes, in the committee.

> —a consulting firm employed by the government in support of its defence of the Columbia treaty.

I can well understand him withdrawing his name on an appeal from the Prime Minister. I continue to quote:

> The president of Montreal Engineering, G. A. Gaherty is chairman of Calgary Power.

You see why there can be reasons for these names being withdrawn on appeal from the Prime Minister that they should be withdrawn, knowing that if this treaty goes through the parliament of Canada the government of British Columbia or the B.C. hydro authority will be needing consultants

on a very large scale. I just mention this to indicate possible reasons for the withdrawal of these names.

The people of Canada do not know what has gone on in connection with this treaty. I have had some experience with a professor at the University of British Columbia who sent a letter stating he was all for negotiation; that he wanted to see Canada get a better deal from the United States. Then, there was a communication to him from a certain person and he withdrew that paragraph of his letter. We have, too, the chancellor of Queen's University withdrawing his name from those who opposed the treaty. I wish I could tell this house what some of the employees of B.C. hydro and other organizations have told me in British Columbia. There has been a deliberate effort on the part of both governments to muster their forces in order to, shall I say, dampen down any technical opposition to this treaty.

Now before proceeding to deal with some of our objections to the treaty, I wish to emphasize the fact that while the government witnesses were either devoted civil servants or the representatives of mercenary institutions, all those who opposed the treaty were volunteers. In a good many cases, they were willing to serve Canada by giving consideration to this problem over a period of several years, and in some cases they spent their own money to inform the people of the circumstances surrounding this treaty. I wish to pay a particular tribute to the members of the trade unions, farmers organizations, chambers of commerce, women's institutes and rod and gun clubs in British Columbia, who have taken such an interest in this problem and in the various aspects of the treaty.

In contrast to that, I just want to make a short reference to a statement made to the press yesterday by Hon. James Sinclair, who is the leader of young Liberal thought in British Columbia. I never read such political cynicism in my life. I quote from this article:

> James Sinclair, the dynamic go-go-go backbench Liberal M.P. who staged parliament's only "sit-out strike" to win his way into cabinet, was back on his old parliament hill political stamping grounds yesterday.
>
> And with news.
>
> To wit:
>
> "Nobody, but nobody, believe me, on the west coast gives a damn about the flag."
>
> And this is strange, he admits.
>
> For only so very recently British Columbia was actually, as he describes it, "British British Columbia," almost rather an outpost of the old empire, or at least the commonwealth, than a Canadian province.
>
> But as British as British Columbia may have been, people out there on the Pacific, to hear Jimmy Sinclair tell it, have more to occupy their time than arguing over flags.
>
> "We're all too busy making money to be bothered by that flag jazz," he reported.
>
> "You can't beat a boom as a box office attraction, and we've got a dandy going for us."
>
> "Nobody's seeing maple leaves or even union jacks, their eyes are too full of dollar signs."

Did you ever hear so cynical a statement from a Liberal, one of the leaders of young Liberal thought in British Columbia? Now, you see what is behind this treaty, the thinking behind it, in some respects. That is the dollar sign and not the welfare of Canadians as a whole, not the welfare of this and future generations. I say this statement is completely untrue. This is a libel on the people of British Columbia. I respect anyone's view. He may want a distinctive national flag or may wish to retain the red ensign or see some other national flag. I respect the views of these people as Canadians so long as they are sincere and they believe in these things. When people take these views, it means they are not thinking of the dollar as the only sign. They have devotion to this country and loyalties that stir their sentiments and their motives. What Mr. Sinclair has said is not true of British Columbia in respect of flags, whichever side the people take, or on this question.

Mr. Martin (Essex East): I am sure we all want the hon. gentleman to give his views on the Columbia treaty and not to confuse them with any other subject.

Mr. Herridge: The minister is trying to divert me. I have the river of criticism flowing in the right direction.

I mention this statement by Mr. Sinclair because I want to contrast that with the devotion of hundreds of thousands of trade unionists, members of farmers institutes, women's institutes, chambers of commerce and labour organizations, in B.C. and in Kootenay West. I want to mention the time they have spent dealing with this treaty, the meetings they have had, the literature they have published and the money they have donated to carry on a campaign against this infamous document, and I want to compare that with the cynicism of the leader of young Liberal thought in British Columbia. These people were not thinking about dollars, they were thinking about Canada and that is why we are objecting to this treaty at the present time.

I wanted to refer to something the hon. member for Brandon-Souris (Mr. Dinsdale) mentioned. He criticized Mr. Ripley in quite harsh terms, and Mr. Higgins. He made some

reference to Mr. Ripley talking politics or polemics, something of that sort. He did not advance any arguments for or against the treaty; he just gave a sort of gospel bell sermon. In order to indicate that there are engineers who agree with this position, I may say that there have been thousands of copies of this special issue sold in Canada to engineers and other persons. I have been asked for hundreds of them. People write in and say they have heard about this article. An engineer sent me a copy the other day and said he wished to bring to my attention this magnificent article, "Scandal on the Columbia". He did not realize I had already read it.

The hon. member for Brandon-Souris criticized Mr. Ripley. The hon. member for Kootenay East (Mr. Byrne) talked about having him brought in front of the committee for contempt of parliament, as did the hon. member for Rosedale (Mr. Macdonald). What happened?

Mr. Byrne: The whole article was false.

The Acting Speaker (Mr. Batten): I apologize for interrupting the hon. member for Kootenay West, but the time allotted to him has expired.

Mr. Herridge: May I just complete my sentence, Mr. Speaker?

Some hon. Members: Agreed.

Mr. Herridge: I was just going to say that I moved a motion to call Mr. Ripley before the committee. He came to the next meeting, and who voted against having him appear before the committee? The hon. member for Brandon-Souris did. After criticizing him, he was not willing to give him an opportunity to appear before the committee, and defend his article. He had the evidence with him to defend that article.

Mr. Byrne: He could not defend it because it was full of holes, full of lies.

Mr. T. C. Douglas (Burnaby-Coquitlam): Mr. Speaker, I was waiting because I thought that surely some of the Liberal members who have been interjecting so frequently would want to give the house the benefit of their views on the Columbia river treaty and protocol.

Mr. Haidasz: That was done in the committee.

Mr. Douglas: Apparently there is a conspiracy of silence among Liberal members. At the beginning of this debate the Secretary of State for External Affairs (Mr. Martin) made a very short statement, consisting mainly of categorical assertions, many of which were completely inaccurate with no substantiation whatsoever, and that has been the sole contribution of the government members to this debate.

I would have thought that they would want to tell us about this treaty and the protocol. The hon. member for Kootenay East (Mr. Byrne) says that Mr. Higgins' article was full of lies and inaccuracies—

Mr. Byrne: Mr. Ripley's.

Mr. Douglas: —that Mr. Ripley's article was full of lies and inaccuracies, but I notice he has not made any speech pointing out these inaccuracies and alleged lies. Their constituents will want to know why these Liberal members have taken no part in this debate. Certainly the constituents in Kootenay East will be extremely anxious to know why their member, who fought the last election condemning the Conservative administration for the Columbia river treaty, is now supporting it, and without saying one word in this house about why he has done a complete political somersault. I think the constituents of the hon. member for Coast-Capilano (Mr. Davis) will want to know why this champion, who wrote a series of articles for the Vancouver newspapers entitled, "The Sell-Out on the Columbia," has now completely reversed his position and is as silent as the grave when this matter is being discussed.

I have noticed the haste of hon. members opposite to keep saying carried.

Some hon. Members: Right.

Mr. Douglas: They say "right", but I would point out that this treaty binds the people of Canada for 60 years. Moreover, the disposition of water, once made, when certain vested interests have been developed will not easily be changed after 60 years. In many respects the approval of this treaty will commit Canada forever, as the hon. member for Coast-Capilano said over and over again when he was debating this matter in the house back in 1962. Therefore, Mr. Speaker, we make no apology for asking the house to take some time to consider what it is giving its approval to.

I want to express my amazement that on a matter so vital to the interests of people in British Columbia in particular and to the people of Canada in general, there has been complete silence on the part of hon. members opposite. Apart from the few trite words

uttered by the Secretary of State for External Affairs, the Liberal members have said absolutely nothing. I hope they are prepared to go back and tell their constituents why they have taken the veil of silence on a matter that is of such vital importance to the people of this country.

It is advisable to look briefly at the history of the Columbia river treaty, to remember that the idea of harnessing the Columbia river has been under contemplation for two decades. It offered great possibilities for international co-operation between Canada and the United States because, on the one hand, harnessing it to generate power in Canada would be beneficial to us, and harnessing it to prevent flooding in the United States would be of great benefit to the citizens of that country. Therefore both countries had a laudable objective in working out some type of co-operative agreement for the development of the Columbia river basin.

One of the men who pioneered the work in this regard was General A. G. L. McNaughton and he was successful, let it be said to his everlasting credit, when he was the chairman of the Canadian section of the international joint commission. From time to time there have been some derogatory remarks made about the General. I say that those who make them in many cases are unworthy to untie his shoelaces, because he was the man who managed to get unanimous agreement, not only from the Canadian section of the commission but from the United States section, for the development of the Columbia river basin on the basis of sequence IX A which would have been of tremendous benefit to this country.

The finest tribute that has been paid to General McNaughton's plan was paid by a former minister of justice, Hon. Davie Fulton, who has repeatedly said that this was the plan the Conservative government would have preferred. As hon. members know, there was also a joint committee which submitted a report which was called, "The Report to the Governments of the United States and Canada Relative to Co-operative Development of Water Resources of the Columbia River Basin." That report was forwarded on September 28, 1960, and it laid out some of the basic principles upon which this international co-operation might be based.

Had the plan outlined by General McNaughton, approved by the international joint commission and laid out in principle by this joint committee, been followed, we would be extremely happy today to be standing up here in support of that treaty; but the first thing that happened was that the government of British Columbia objected to the McNaughton plan and very fundamental changes were made in it. I need not go into the details of those changes because this has all been thrashed out in the external affairs committee.

Hon. Davie Fulton, who was the minister in charge of these negotiations on behalf of Canada, admitted that the treaty as drafted by him was a second best, and on that basis the previous prime minister, Right Hon. J. G. Diefenbaker, signed the treaty on behalf of Canada in Washington in January, 1961, and it was also signed by the President of the United States.

That treaty was not submitted to parliament, although that government was in office for more than an additional two years after the treaty was signed. It was not submitted to parliament because the previous government found that the British Columbia government, who they thought were in agreement with the treaty, balked at the idea of having the downstream benefits delivered to Canada in the form of electric power. The basis of that agreement was that 50 per cent of the increased power delivered as the result of building the dams would be delivered to British Columbia at Oliver, B.C., but Premier Bennett of British Columbia wanted to sell the downstream benefits for a cash settlement either on a continuing basis or a lump sum. And let it be said to the credit of Hon. Davie Fulton that he balked at that. He went through the length and breadth of British Columbia speaking against the idea of selling the benefits. He said in a speech at Prince George that this would be an improvident deal—that it would make us the laughingstock of the world. He refused to submit to the pressure of the government of British Columbia.

I imagine it was with a good deal of chagrin that he found that the speech from the throne in the fall of 1962 announced the intention of the Conservative government to permit the bulk sale of the power out of Canada. This, of course, pulled the rug completely from under Mr. Fulton.

Mr. Dinsdale: Would the hon. member permit a question? I believe he is aware that the treaty itself allows for the sale of downstream benefits.

Mr. Douglas: It does not allow for them on the basis on which Mr. Bennett wanted

them, and this is the reason why Mr. Fulton had refused to agree with the proposition which Mr. Bennett presented. This is why he said it was an improvident deal. This was the situation at the time the previous government left office.

Throughout the two years between the time the treaty was signed and the time the present Liberal government came to office, Liberal members opposite had criticized this treaty both in the house and throughout the length and breadth of the country. I do not intend to waste the time of the house by reading back all the horrendous speeches which were made in December, 1962. I see a speech here by the hon. member for Coast-Capilano (Mr. Davis) in which he criticized the government of that day for accepting a lump sum from the United States in respect of flood control, pointing out that this was of continuing value, and that to settle for a paltry sum represented negligence on the part of the government in looking after Canadian interests. In the same speech of December 12, the hon. member for Coast-Capilano said the whole treaty should be renegotiated, and that the Libby dam and a number of others should be completely out of the picture. He said:

> I believe that the treaty should be renegotiated in the matter of principles only, naming the entities responsible for the development on each side of the border, and naming the procedures, the sequences and the principles under which the results can be divided. But no more than that, and not naming projects, because we are getting into difficulties over the individual projects.

The hon. member for Kootenay East (Mr. Byrne) made a speech on the same day similar to those he had made in British Columbia, and I have newspaper reports here outlining some of the statements he made. In this speech he came out as a champion of the McNaughton plan. He castigated the Conservative administration for approving a treaty which, he said, was a sell-out of Canadian interests. I do not wonder the hon. member has left the house. With the record of the position he took in December, 1962 set off against the position which the government is taking today I can understand any member going out and hiding his head until this debate is over. But he will have to hide his head a great deal more when he goes back to his constituency and talks to the people who elected him, as they elected some other Liberals opposite, on the firm commitment that they would renegotiate this treaty and do away with some of its worst features.

The government itself, as represented by the present Prime Minister (Mr. Pearson),

committed itself during the election campaign to renegotiation of this treaty. Many people having in mind their criticism of the Columbia river treaty, and having in mind the promise of hon. members now sitting opposite that they would renegotiate it, gave them their electoral support. What have they done? Their renegotiation consists of producing a protocol—a protocol, Mr. Speaker, which does not remove any of the defects about which they complained in this house in the debates of 1962; a protocol which in the main is window dressing, a protocol which does not alter any of the basic facts of the treaty. As a matter of fact, if it had done so, then in all probability the President of the United States would have had to resubmit it to the United States congress. He has not done this, which would indicate that the protocol does not change the treaty in any major particular.

It seeks by assertion to say certain things. For instance, much has been made of the fact that there is now to be a right of appeal should any dispute about the water flow for flood control arise. What is this right of appeal? Well, the protocol says that a permanent engineering board will be established upon which Canada and the United States will be equally represented. If Canada does not agree with any of the representations made by the United States regarding the control of the water it may appeal to the permanent engineering board. But if the permanent engineering board does not agree to intervene—and it is hardly likely to intervene when half the membership is American—then the decision of the United States stands, and Canada must carry out the instructions received from the United States authorities. Is this a right of appeal? This, Mr. Speaker, is flim-flam put in to deceive the Canadian people into thinking they are getting something when they are actually getting nothing.

The other part of the protocol to which members opposite refer frequently has to do with diversion. Yesterday, for instance, when I was speaking on a point of order as reported on page 3953 of *Hansard* I said—and the exchange is recorded as follows:

> We are dealing here with a treaty. Unless the government of the United States and the government of Canada are agreed as to the legal meaning of this treaty, then of course difficulties may arise in the future.
>
> Mr. Martin (Essex East): There is no doubt about it.
>
> Mr. Douglas: The Secretary of State for External Affairs says there is no doubt about it. If there

is no doubt about it, let him accept this amendment to make it clear beyond any shadow of doubt.

Mr. Martin (Essex East): May I point out, Mr. Speaker, that the protocol does that very thing.

And a few minutes later, as reported on page 3954, I said:

If the government is satisfied that the right of diversion is there, all it needs is a protocol signed by the United States government and the Canadian government to that effect and our fears would then become groundless.

Mr. Martin (Essex East): It now has that very thing.

Mr. Douglas: Well, let us see what we have in the protocol. The protocol says in paragraph 6 (1):

Canada and the United States of America are in agreement that article XIII(1) of the treaty provides to each of them a right to divert water for a consumptive use.

Mr. Speaker, what is the definition of "consumptive use" in the treaty? Article I(1)(e) says:

"consumptive use" means use of water for domestic, municipal, stock-water, irrigation, mining or industrial purposes but does not include use for the generation of hydroelectric power.

Mr. Speaker, the fact that the protocol says that this country has the right to divert water for consumptive use is subject to the definition, and the definition limits the use of water for consumptive purposes to these things listed, domestic, municipal, stock-water, irrigation, mining or industrial purposes. It has left out many other items; it has left out the question of increasing water flow to deal with pollution problems; it has left out water replacement. It limits the uses to which water can be put for consumptive purposes. And it goes even further; it precludes the use of water for hydroelectric purposes.

Mr. Martin (Essex East): Of course it does; that is the whole point of the treaty.

Mr. Douglas: Exactly. Now the minister says it is the whole point of the treaty—

Mr. Martin (Essex East): That has always been the point.

Mr. Douglas: —to prevent water being diverted for hydroelectric purposes.

Mr. Martin (Essex East): As the primary use.

Mr. Douglas: It does not say as the primary use.

Mr. Martin (Essex East): Oh, yes it does.

Mr. Douglas: Now we are coming to the essential point, Mr. Speaker, that the Secretary of State for External Affairs has been trying to foist on the Canadian people for several months, namely that if hydroelectric generation is not the primary use but is an incidental use to which the water is being put, then of course it will be permissible. But where is that in the treaty; where is it in the protocol? If that is true, I am sure the Secretary of State for External Affairs would be here today with a letter from the United States government stating that, and he would be flourishing it in our faces. But he has not got it. I challenge him to produce one legal opinion from any responsible body or individual which will substantiate his claim that this definition of the term "consumptive use" will allow water to be used for hydroelectric generation purposes, provided there are other uses at the same time. No one knows better than the Secretary of State for External Affairs that you cannot divert water and transport it any great distance unless it is used for multiple purposes, unless along with domestic, industrial use and irrigation you can also pass it through turbines and generate power to help reduce the cost. Water cannot be diverted, as the Americans have demonstrated very ably, great distances unless it can be used for multipurpose projects. The only thing that made the South Saskatchewan river project economically feasible and practicable was the fact that it could be used for power, irrigation, domestic and industrial uses. There can be no diversion that makes sense or that is either practicable or economic unless that water can be used for many other things, including the generation of hydroelectric power.

Therefore, Mr. Speaker, while the minister goes around saying, "Well, we now have under the protocol the right to divert water", he knows that in practical terms we have given up the right to divert water. We have given up the thing that the joint committee agreed to in their report to the governments of Canada and the United States.

Mr. Martin (Essex East): That is not accurate, and my hon. friend knows it. That is completely inaccurate.

Mr. Douglas: I will give my hon. friend a chance to tell me how inaccurate it is.

Mr. Ryan: Mr. Speaker, would the hon. member permit a question?

Mr. Douglas: No, Mr. Speaker. I will accept questions from any members in the other parties who have taken part in this debate, but if the members on the other side want to

express their view, let them get up and take part in this debate.

Some hon. Members: Hear, hear.

Mr. Douglas: Let them not sit here in silence acting as they do, as the lackeys for the government and taking no part in the debate, their only contribution consisting of interruptions and rather insipid questions. As I was saying, Mr. Speaker—

Mr. Basford: Why are you afraid to answer questions?

Mr. Douglas: I am not afraid to answer questions, to take part in this debate or to express what I think. That does not cover my hon. friend, I can assure you, Mr. Speaker. The report—

Mr. Basford: Then accept the question.

Mr. Douglas: Mr. Speaker, if my hon. friend has anything to say, will he please get off his conscience and stand up. He has been sitting on his convictions for three days, and it is hard on him. The committee representing the two countries made their report on September 28, 1960, and set out recommended principles upon which the drafting of the treaty should proceed, and I would ask the house to remember that this was agreed to by both countries. One of the stated principles provided in part:

16.(1) Subject to subparagraph (2), Canada and the United States to refrain during the term of the treaty from

(a) diverting from the Columbia river basin any of the flow of the Columbia river above the point at which it crosses the boundary between Canada and the United States;

(b) diverting from the Columbia river basin any of the flow of any tributary which has its confluence with the river in Canada;

This was the beginning. There was to be no diversion. Then, because of the outcry on the prairies even from Liberal newspapers like the Saskatoon *Star-Phoenix* the government said with regard to this clause, "Ah, of course you can divert, but for consumptive purposes". That is in article XIII(1); but then in the definition consumptive use is defined so that in effect you cannot divert water because it is made uneconomic and impractical to divert it. The Secretary of State for External Affairs seems to think that if he keeps on repeating again and again that the protocol gives the right of diversion, somehow or other he will get people to believe it. He is like a witchdoctor who believes that by repetitive incantations he is somehow going to turn black into white. The fact is that this treaty and the protocol prevent diversion in any practical or economic sense. It will allow some local diversion for stock-watering, but any large scale diversion is to all intents and purposes precluded the moment this treaty goes into effect.

What does this mean? This morning's paper carries a story of the concern on the prairies at the lack of moisture. On the prairies we have periodically gone through cyclical periods of drought. Water is going to be an increasingly scarce commodity on the great plains of western Canada, not only for irrigation but also for domestic and industrial purposes. Industries are growing up on the prairies. Water is needed if those industries are to survive and expand—water for petrochemical industries, water for solution mining of potash, which is rapidly becoming one of Canada's very important industries. I make the prediction that within the next two decades water will be the most precious commodity in western Canada.

Mr. Cooper: One decade.

Mr. Douglas: My hon. friend from Rosetown-Biggar (Mr. Cooper), who has made a long study of this problem, says one decade, and I think he is right. But this treaty is for six decades, and the house ought to know what the treaty is doing. I am sure the country will realize what it is doing. We are now effectively blocking any large scale diversion of water from the Columbia to the prairies of western Canada.

Mr. Martin (Essex East): That is not the fact.

Mr. Douglas: The minister keeps saying that that is not the fact. Only a few minutes ago he said that the purpose of the treaty was to prevent water from being diverted for hydroelectric purposes.

Mr. Martin (Essex East): As the primary purpose.

Mr. Douglas: How can we divert water to the prairies unless it is used for hydroelectric generation? The minister says, not as the primary purpose; but there is nothing in the treaty which says that this is precluded only when the primary purpose is hydroelectric generation. If the minister really believes what he is saying and if he is not just trying to deceive the public, he will surely produce a legal opinion or a letter jointly signed by the Canadian and United States governments to the effect that the diversion of water for hydroelectric purposes will be permitted, if generation of water for hydroelectric purposes is not the

primary function. If he believes what he says all he has to do is to accept the amendment which we proposed yesterday.

The minister has put up the argument in correspondence with the government of Saskatchewan that, after all, this is not very important, because he said in a letter which he wrote to the premier of Saskatchewan on March 31, 1964, "alternative sources exist for obtaining water supplies for the Saskatchewan river system which on any foreseeable basis are considerably less expensive to develop than a Columbia river diversion into Saskatchewan." But all of the evidence presented by the Saskatchewan government indicates that if you take into consideration a cost benefit study the Columbia is probably the most economical means of bringing water to the prairies.

You cannot base the case on cost per cubic foot. You have also to examine it on the basis of where the water will enter the South Saskatchewan river basin and what benefits it will provide. It is not the function of this house to decide whether diversion of water from the Columbia to the prairies is less expensive or more expensive than diversion from some other river. That is not our business. It will be the business of whatever government is in Saskatchewan and whatever government is in British Columbia at the time to work it out, if they desire to do so. But it is the responsibility of this parliament to see that the right to divert water and the right is kept open for future governments in Saskatchewan and British Columbia to work out an arrangement for such a diversion. I say that this treaty precludes this happening. Because it precludes this happening I think it is a bad treaty, and that it will work great hardship on the people of the prairie provinces.

These people have been through cycles of drought. They have been limited by lack of water in the development of specialized crops. They have been limited as to industrial development. Already many of their urban communities have water shortage problems. Surely it is the function of Canada's parliament to safeguard water supplies so that these people may enjoy them in the years which lie ahead. If this treaty were only for five years I would not worry about it. But this treaty is for 60 years, and if sufficient commitments of water are made to the United States it is virtually forever. Because once we have made commitments and industries have been established in the United States on the basis of a stated water supply, we, or our children and our children's children, are not going to be able to divert water 70 or 75 years from now. I should have thought that members of the government would have given some consideration to an area of Canada which has suffered so much from drought and which fights against so many natural obstacles to its development, and would have seen to it that the right to divert water would have been retained, and not precluded as it is in this treaty.

I think my time is almost up, Mr. Speaker, and I should like to say in closing that in spite of the lack of interest in this resolution which has been taken by government members it is of vital importance to the people of this country. Whether we take an interest in it or not, I predict that within a few decades there will be a storm of public disapproval against this treaty when once the full implication of its terms is realized by people of Canada. Unfortunately when that time comes their fury cannot be directed against those who are responsible because they will probably have passed from the political scene. Future generations of Canadians will look back to this day and will have a feeling of regret that we have so far forgotten our sense of duty and responsibility as to allow a treaty like this to pass without taking adequate steps to safeguard the interests of future generations.

As far as we in this party are concerned we have made our protest, and we have made it repeatedly. We made it when the matter was first brought before the house. We made it when the minister asked that this matter be referred to the committee on external affairs. Our representatives on the committee, the hon. member for Kootenay West, the hon. member for Nanaimo-Cowichan-The Islands and the hon. member for Toronto Greenwood, day after day presented our point of view in that committee to the very best of their ability, and I think they did an excellent job. We have in this debate stated our position. We have made it crystal clear that we think this treaty and protocol ought not to be passed in their present form without some clarification of the right of diversion of water where the generation of hydroelectric power is involved. We have made our stand here, Mr. Speaker, and it is on the record. The other members of the house must accept their responsibility if approval is given to this nefarious treaty.

The Acting Speaker (Mr. Batten): I must advise the house that if the Secretary of State for External Affairs (Mr. Martin) speaks now he will close the debate.

Mr. Martin (Essex East): Mr. Speaker,—

The Acting Speaker (Mr. Batten): The hon. member for Rosetown-Biggar (Mr. Cooper).

Mr. C. O. Cooper (Rosetown-Biggar): Mr. Speaker, I should like to say a few words in this debate having regard to the fact that we on the prairies need water from the Rocky mountains. Other speakers have dealt with the water problems of the prairies. I have been vice president of the Saskatchewan river development association since 1943 and we have always had it in the back of our minds that we would have to divert water from the slopes of the Rocky mountains in order to maintain our water supply on the prairies.

I can remember that a few years ago water was rationed in the thriving cities of Moose Jaw and Regina. If you used municipal water to wash your car or water your lawn there was a penalty imposed. We have had these experiences on the prairies, and in the last 40 years I have seen the water level going down every year. Lakes and streams where we used to hunt ducks and which were also used for water supply have dried up and in many cases farming is being carried on in those locations today. So we must look to other sources for water.

I am all in favour of water conservation by dams, dugouts and every other means that will conserve water in Canada. So far as diversion is concerned I agree with what the hon. member who just spoke said with regard to the treaty. I object to the rider providing that we can use the water for domestic purposes and so on but not for hydroelectric purposes. So far as the South Saskatchewan river project is concerned, we expect to divert some water from the Columbia into the South Saskatchewan river and when that project is completed next year we will have a hydroelectric plant developing 475 million kilowatt hours annually. What I am afraid will happen with this rider in the treaty is that when we want to divert water in 10 or 20 years the United States will say that under the treaty water is not to be diverted for power purposes. That is the main objection I have to the treaty and I conclude by saying that I cannot support the treaty with that rider in it.

The Acting Speaker (Mr. Batten): Order. Once again I must warn the house that if the Secretary of State for External Affairs speaks now he will close the debate.

Hon. Paul Martin (Secretary of State for External Affairs): Mr. Speaker, at one point in this debate, one hon. member observed that this was one of the most important matters to come before the house in a long time. With that I fully agree. It was for this reason that, after the most careful examination had been made of the project by two governments of Canada the matter none the less was referred to the committee on external affairs for further examination by the membership of the house. At the same time the committee had the opportunity of inviting the presentation of expert testimony by people with special technical knowledge both in and outside the government service of Canada and the government service of the province of British Columbia.

There has been an exhaustive inquiry. Fifty meetings of the committee were held and I attended many of those meetings, although I was not a member of the committee myself. After a long period of service in this house, I must say that I am sure we have not had in many years a committee that addressed itself so thoroughly to its particular assignment as did this committee. This was due to the earnest way in which members in all parties applied themselves to the difficult task given to them. What I say applies to those on the government side, to those in the opposition parties who support the treaty and the protocol and in equal measure to those who were and continue to be opposed to the treaty and the protocol.

After we came into office a year ago I had the responsibility as Secretary of State for External Affairs of negotiating the protocol with the United States. This is a vital matter, and I do not think we prove the point by having it suggested that only those opposed to the treaty or the protocol really have the national interest in mind. I am sure that every member of the committee and every member of this house, regardless of the position he takes on this matter, is as concerned about the propriety, validity and integrity of this project as any other hon. member. If I may say so to the hon. member for Burnaby-Coquitlam (Mr. Douglas), I find it a little difficult to accept some of the direct and indirect implications of his remarks. Usually he does not let himself go in this way, and I can only assume that there

must have been influences operating today which affected the normally steady course which he takes in the house.

I have paid my tribute to the chairman and vice chairman of the committee. But because of things that have been said today and things that were implied earlier,—as this is the final statement before we vote—I should like to say that we have reason to be grateful not only to the members of the committee. All of us in the house and in this country have an obligation to recognize the contributions made by public servants in Canada's service and in the service of British Columbia over a long period of time, because this matter has been before the Canadian people in one way or another for 20 years.

Having in mind what I know about the work that has been put into the matter by devoted public servants, I would be failing in my duty if I did not pay tribute to those who have done so much over the years to enable us, the legislators, to form a judgment on this matter. I am sure members of the opposition who formed the last government will agree with me that we have every reason to be proud of our public servants, and particularly of those in our public service who advised this government and the former government in the consideration which they had to give to this matter. Because some names have been mentioned today, I want to say that we in this country owe a great debt to the clerk of the privy council, Mr. Gordon Robertson, a former deputy minister of northern affairs, to Mr. Gordon MacNabb of the Department of Northern Affairs and National Resources, as brilliant an engineer as will be found in this country, who made such an impression on every member of the committee; to Mr. Ed. Ritchie, the assistant under secretary responsible for the economic division of the Department of External Affairs; to Mr. Olson of the Department of Justice; to Mr. Parkinson of the Department of Finance; and to Mr. Kingstone of the legal division of external affairs. While he was not here, there was a young Canadian engineer from British Columbia, Mr. William Chin, the son of a Chinese, a very brilliant young engineer, who spent ten years working on this project. These are the men to whom we have every reason to express our gratitude. I have mentioned their names only because, in the course of debate, I regret to say there have been suggestions of incompetence, which I believe were very unjustly applied. Canada has never been served more ably than by these men and perhaps by one or two other public servants whose names I have not mentioned. The same thing is true of a number of engineers in the service of the government of British Columbia who had much to do with the negotiations long before I had any responsibility for them.

Now, Mr. Speaker, it is not my intention to cover all of the arguments that have been advanced in this particular debate. The evidence, as the hon. member for Brandon-Souris (Mr. Dinsdale) pointed out, is before this house, some 1,500 pages of it. This evidence deals with every point that has been discussed in the debate today and yesterday, as well with many more. I believe that every point made today, and others not covered today, have been answered and, according to the majority of the members of this committee, adequately answered.

One cannot expect full agreement on a matter so complicated and so vital as this. But I think one should, after the careful study that has been made, at least be prepared to recognize that the majority are entitled to the same consideration as those of the minority who take a dissident position. This has not been the viewpoint, however, of some of those who have criticized the treaty and protocol. The critical arguments that have been used against the treaty and protocol in this part of the debate were not those, for the most part, that were used when this matter first came before the house on March 3.

The hon. member for Burnaby-Coquitlam (Mr. Douglas) said that the members on this side have not taken part in this debate at all. He tried to imply that there were no members on this side interested in the subject. My hon. friend knows this is not the case. He will recall that there was a debate on March 3 when I made a very extensive statement, the length of which was criticized by one of my hon. friend's own supporters. Many hon. members, whose interjections today represented their enthusiasm if not always their full appreciation of the way to get things settled, took part in that debate and were very active members of the committee.

There are members in the official opposition who did not speak in this debate but took part in the debate when the matter first came before the house. Some of them were very active members of the committee. There are one or two of them sitting before me in the official opposition now who have not taken part in this debate but who applied themselves energetically in the committee to the

study assigned to them. I feel it is only fair to those hon. members, that as the final speaker I should point out that the absence of speeches at this particular time is due only to the fact that we want to get on with the business of the house. If every hon. member were to speak, we would never be able to discharge the public business. This is particularly true in respect of a matter which has been so thoroughly discussed from every angle, as this particular problem has been.

Mr. Herridge: Then, why did you introduce the flag issue?

Mr. Martin (Essex East): I am not going to quarrel with my hon. friend, who is my friend. I know he has taken this matter seriously. I think he will say that while I have not always agreed with him, I have tried to deal with him in this matter as fairly as I could. I am not going to make any interjection in the dying days of this debate that might sever the bonds of a deep and lasting friendship.

But, Mr. Speaker, what have we had today? The arguments against this treaty were not the arguments made on other occasions. Today, the argument was essentially with regard to the right of diversion. There was no suggestion made that, by this treaty and protocol, Canada does not get very substantial advantages. No mention was made of the sum of money involved. No mention was made of the fact that all of the projects involved at high Arrow, at Mica and at Duncan are going to be paid for and that there is going to be a surplus, which will be for 50 per cent of the cost of the installation of at-site power at Mica. No mention was made of the tremendous advantages that flow from what I believe is a sound and equitable agreement which Canada was able—on behalf of Canada and British Columbia—to obtain from the United States.

The whole argument today was essentially on the question of diversion. The hon. member for Burnaby-Coquitlam noted that what we had to consider was the problem of water, water for Saskatchewan, water for the prairie provinces. I agree with him, that is a vital consideration. However, the hon. gentleman continued to misinterpret or to ignore the clear implication of article XIII(1) of the treaty and more particularly the refinement of it in the protocol in which the United States reaffirmed in positive terms Canada's right to make any diversion of the Columbia basin water required for consumptive needs, such as irrigation and municipal use. There is no question about what this means; this was the view taken by the solicitors who appeared before the committee and the view of the former minister of justice, Mr. Fulton.

In answer to the member for Moose Jaw-Lake Centre (Mr. Pascoe) who put two specific questions, I can say that there is no doubt in the judgment of the government. That judgment means we have considered this situation in the light of the opinions given by these experts and in the light of the examination of the documentation. The treaty permits consumptive diversions if Canada should ever find them necessary. If a diversion is for a consumptive need, then the diversion is permitted, even if incidental power is produced. There can be no doubt about that.

Mr. Douglas: May I ask the minister a question? Will he quote that part of the protocol or treaty that corroborates just what he has said?

Mr. Martin (Essex East): My hon. friend is claiming that because there is not in the protocol or because there is not in article XIII(1), a provision specifically stating that you can have a diversion for incidental power, that you cannot have it. Well, that is a form of interpretation I would never accept. The treaty is clear and it says you can divert for consumptive use; whatever secondary use is made after that obviously follows. It did not require any special interpretation. He asked me questions, but if he would be good enough to read the evidence of General Istchner, instead of simply saying—

Mr. Brewin: Would the minister permit a question? Has there been any written, reasoned legal opinion either produced in evidence or made available to the committee which supports the interpretation he is now giving?

Mr. Martin (Essex East): Mr. Speaker, my hon. friend asked me this question several times in the committee, and he knows the answer. He is too good a lawyer to expect me to take that question as representing a serious import on his part, because he knows that is not the situation at all. I refer my hon. friend to the presentation material—

Mr. Brewin: On a point of order, Mr. Speaker, the minister is imputing that I did not ask the question in all seriousness.

Mr. Martin (Essex East): If I imputed anything I wish to withdraw it.

Mr. Brewin: If he can produce an opinion to controvert what I say, let him do so.

Mr. Martin (Essex East): My hon. friend is asking a question and he knows the answer to it. He knows I have taken the position that we do not need to have such a legal opinion. My hon. friend laughs. The loud laugh sometimes indicates the vacant mind. I am not suggesting that in this case, but I ask my hon. friend to remember what we did put in the evidence, which will be found in the presentation book at page 134:

> In connection with the meaning of "consumptive use" it should be noted that a diversion carried out for a true consumptive use, such as irrigation, does not cease to be an "authorized diversion" merely because the water while en route produces hydroelectric power, either incidentally or even as an integral part of the diversion scheme. The essential question will be: what is the real and genuine purpose of the diversion? If it is a consumptive purpose, it is provided for.

That is as clear as anyone has the right to expect in a treaty between two parties.

Mr. Douglas: Would the minister—

Mr. Martin (Essex East): I have just a few minutes and I want to finish. I have approached this question in the light of what I regard as a very important responsibility imposed on me as Secretary of State for External Affairs. In the judgment of the government this treaty is basically a good treaty. We have sought to make it a better treaty, and we were able to negotiate a protocol with the United States which we believe added important modifications and improvements in that treaty.

The hon. member for Burnaby-Coquitlam (Mr. Douglas) does not agree with my view about the importance of the protocol. Well, that is his opinion. I say that the engineers and those of us who spent a lot of time on this, believe we did get from the United States important improvements following the consultations which the Prime Minister (Mr. Pearson) had in the month of May last year with the President of the United States.

In addition, we were also able to get from the government of British Columbia, the owner of the resource—as my hon. friend, the hon. member for Okanagan-Revelstoke (Mr. Fleming) reminded us yesterday—an agreement which we regarded as indispensable before we could embark on substantial negotiations with the United States. We got that agreement with the owner of the resource after some negotiation. As a result of it, we were able to negotiate with the United States for a price which we felt was essential to enable the building of the three projects, so that Canada would be relieved of a basic financial responsibility, and so that the owner of the resource would be able to develop a system of hydroelectric power which I believe is going to be to the advantage of British Columbia.

I believe that this project of the Columbia river—whether it be by a provincial government with which I do not always agree—was a great concept. Further, I believe that government deserves credit for having taken the step it did with regard to this specific project. I believe the project at the Peace river is going to represent a development in that part of the country that will cause many of the critics of this treaty to regret that they did not approve a project which I believe will be of major consequence to the development of Canada.

When I introduced this subject on March 3, I said that, after the careful examination we had made of this treaty, we had every justification for commending it and the protocol to parliament. I do that again. I do it today, backed up by the overwhelming support of the external affairs committee which has recommended to the government that this treaty and the protocol should be ratified. When this matter reaches the other place, we shall have set in motion one of the great projects that will take its place along with projects like the St. Lawrence seaway, and other great national development schemes, which will assist greatly in stimulating the economy of this country, adding to its structural strength, and enabling us to provide for the industrial growth of this nation.

Mr. Brewin: Second best.

Mr. Martin (Essex East): Someone says "second best". It is not a second best. This treaty is a good deal for Canada and I am proud to recommend it to the house.

Mr. Pascoe: In my address I asked two questions and the minister only answered one. I said the brief from the Saskatchewan government was presented by the Lloyd government. Has he had any reports of agreement from the new government in this regard?

Mr. Martin (Essex East): The delegation that came here came after the election and before the assumption of office by the present administration.

Mr. Pascoe: Does it recommend itself to the new government?

Division

Mr. Martin (Essex East): I cannot say.

The house divided on the motion (Mr. Martin, Essex East), which was agreed to on the following division:

YEAS

Messrs:

Aiken	Macdonald
Basford	MacEwan
Batten	MacLean (Queens)
Beaulé	McBain
Béchard	McCutcheon
Beer	McIlraith
Bell	McLean (Charlotte)
Benidickson	McMillan
Berger	McWilliam
Blouin	Mandziuk
Brown	Martin (Essex East)
Cantelon	Matheson
Cardiff	Morison
Caron	Muir (Cape Breton North and Victoria)
Carter	Muir (Lisgar)
Casselman, Mrs.	Mullally
Chatterton	Munro
Churchill	Nicholson
Clancy	Nielsen
Coates	Noble
Crouse	Nowlan
Danforth	O'Keefe
Deachman	Ormiston
Diefenbaker	Pascoe
Dinsdale	Pepin
Doucett	Perron
Enns	Pickersgill
Ethier	Plourde
Fane	Prud'homme
Fleming (Okanagan-Revelstoke)	Richard
Forbes	Robichaud
Foy	Rochon
Francis	Rondeau
Gelber	Rouleau
Girouard	Rynard
Granger	Sharp
Gray	Slogan
Greene	Southam
Grégoire	Stefanson
Groos	Stewart
Gundlock	Tardif
Habel	Temple
Haidasz	Thomas
Hamilton	Tremblay
Harkness	Tucker
Harley	Turner
Hellyer	Wahn
Kennedy	Walker
Konantz, Mrs.	Watson (Assiniboia)
Korchinski	Watson (Châteauguay-Huntingdon-Laprairie)
Lachance	Whelan
Laing	Willoughby
Leboe	Winkler—108.
Lloyd	
Loney	

NAYS

Messrs:

Barnett	Fisher
Brewin	Herridge
Cameron (Nanaimo-Cowichan-The Islands)	Howard
Douglas	Knowles
Cooper	Martin (Timmins)
	Orlikow
Peters	Webster
Prittie	Winch—16.
Scott	

Mr. Deputy Speaker: I declare the motion carried.

Mr. H. W. Herridge (Kootenay West): Mr. Speaker, I rise on a question of privilege. I heard someone here say that the hon. member for Kootenay East (Mr. Byrne) was paired with the hon. member for Coast-Capilano (Mr. Davis).

Some hon. Members: Oh, oh.

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

COMBINES INVESTIGATION ACT

AMENDMENTS RESPECTING PENALTIES FOR VIOLATIONS, ETC.

Mr. David Orlikow (Winnipeg North) moved the second reading of Bill No. C-33, to amend the Combines Investigation Act (floor penalties, criminal joint tort-feasors, and moieties).

He said: Mr. Speaker, I am proposing this amendment to the combines investigation section of the Criminal Code because I believe the laws of this country should be fair and equitable and should treat every person in the same way whether he be rich or poor, whether he be in a position to obtain a high-priced, competent lawyer, or whether he is not. If a person is poor and, on going into a supermarket in the city of Ottawa or Toronto, or in my own city of Winnipeg, steals $5 worth of groceries and is apprehended, if it is his first offence he may get a suspended sentence on conviction. He would certainly be fined. If he committed the same offence a second time he would undoubtedly be sent to jail. If he committed it a third time he would go to prison for a fairly long term.

How different is the treatment we mete out in this country to individuals, most of them quite wealthy and important, who direct some of the largest companies in Canada and who have consistently ignored the laws of Canada prohibiting combines, not once but three or more times. These people have been prosecuted and convicted and have got off scotfree, the companies they direct being given a fine of a few thousand dollars, an amount which is insignificant when compared with the business done or the profits

made. Not once in the history of this legislation has the provision in the code which provides either for a jail sentence or a fine been acted upon in the sense that judges have thought the offence important enough to impose a jail sentence on the directors or officers of the company which has been proven guilty.

Since that is true I am proposing that the law be amended to make it mandatory that where the offence has been committed a second or third time there shall be a jail sentence required. Section 31 (3) of the Criminal Code reads as follows:

> A court may punish any person who contravenes or fails to comply with a prohibition or direction made or given by it under this section by a fine in the discretion of the court, or by imprisonment for a term not exceeding two years.

That is a provision which has not once in the history of Canada been enforced. My amendment would provide that where such an offence has been committed a second or third time a jail sentence is mandatory; that there be a minimum jail term of one year for the second offence and a jail term of two years for a third or subsequent offence.

Our combines legislation has been with us for a long time. I have before me a pamphlet written by Mr. Grant Dexter, who is certainly not a wild-eyed socialist but a very respected member of the press gallery for many years as well as being a very prominent Liberal supporter, entitled "The Parties and the Combines Act". This pamphlet was published in 1959 and I should like to read a few sections from it to show how long we have had this law and who piloted it through parliament. He says that Mackenzie King introduced the first anti-combines legislation in the House of Commons in 1910, and goes on to say:

> From the outset, the Liberal party has insisted that there must be free competition in prices. All acts which lessen competition are unlawful and Liberal governments down the years have vigorously and successfully enforced this concept of combines control.

I will try to analyse briefly how successful this has been; but this is what Mr. Dexter says in his pamphlets:

> The success achieved by Liberal administration in uncovering, prosecuting and convicting combines is indicated by the fact that, between 1925 (when the first prosecution was launched) and 1957 (when the Liberals left office), 35 combines had been convicted in the courts and the fines imposed exceeded $1,600,000....
>
> Thirty five represents a substantial cross-section of Canada's big business, since a single combine might embrace scores of individual companies.

From a return to a question which I asked last session, which was tabled by the then minister of justice on July 10, 1963, and which listed the persons or corporations convicted by the court, the date of conviction and the amount of fine imposed, it will be seen that between 175 and 200 companies were convicted between January 1, 1939 and the time when the question was answered in 1963. To suggest, however, that this has in fact stopped the desire and the practice of big business to participate in combines is, of course, not true. In a book written by Professor G. Rosenbluth and H. G. Thorburn entitled "Canadian Anti-Combines Administration, 1952-60", the following appears at page 97 in connection with the way the law has been administered:

> Under the St. Laurent-Howe administration, the backgrounds and personalities of the government leaders, their natural desire for financial support from business interests for campaign purposes, the remoteness from the electorate caused by the duration of the Liberal regime, and the general economic prosperity all favoured a certain solicitude for the interests of large corporations. In the field of combines legislation, the logical development of government policy would have been towards reduction in emphasis upon activities that might disturb major business groups.

We can say, Mr. Speaker, that this is true because recently during this session I put down a series of questions which asked what the government has done or proposed to do about these specific recommendations made by the restrictive trade practices commission, which had investigated combines. This commission found that there were combines existing and listed about eight of them—there are probably about 25 which have not yet been reported upon—and in every case the answer, in effect, was: "We are looking into them and studying them". So there has been little, if any, action.

If anyone doubts that the practice of combines is continuing, let me refer him to a small news item in the *Globe and Mail* of June 3, 1964 headed "Bids Identical, Chance Decides Winning Firm". This article says:

> The Toronto transit commission found itself faced yesterday with three identical quotations of $8,425 on 8,000 bags of Portland cement.

I suggest that the possibility that this was a coincidence is virtually non-existent.

Let us take an example from my own city. In May of 1963 the city council of Winnipeg had before it a report from its committee on utilities and personnel having to do with the purchase of power cable. I should like to refer to five items. On item 1 there were identical bids to the penny in the amount of $5,568 by

Canada Wire, Canadian General Electric, Pirelli Cables, Canadian Westinghouse, Northern Electric and Phillips Electric. On item No. 2 the same six companies bid $3,376. On item 3 the same six companies bid $4,128. On item 4 the same six companies bid $1,811. On item 5 the same six companies bid $4,815.

This is not an accident, Mr. Speaker. This is obviously a combine, and obviously not much is going to be done about it. I know that obtaining proof is difficult, but I suggest that the practice which the governments of Canada have followed of taking cases to court when they do get evidence and securing a fine of $3,000, $5,000 or $10,000 simply means that all we are doing is saying to these companies that this is a very cheap licence. We are saying to them: Once every ten or 20 years we will bring you to court, you will pay a very small fine and then you can continue doing business in the same old way.

There is no suggestion that we should issue an order to cease and desist. There is nothing in the law saying that people who have suffered can sue for damages, as is now being done and has been done very successfully in the United States. So we let this practice continue. I do not have too much time but I want to put on the record briefly just what happens.

In 1960 the Abitibi Power and Paper Company was fined $15,000 when their net profit was $15½ million in 1962, $13.7 million in 1961 and $12¼ million in 1960. What is a $15,000 fine to them? The St. Lawrence Corporation was fined $3,000 in 1958 and $20,000 in 1960. What were their profits? In 1959 they were over $6 million, in 1960 over $7 million and in 1961 over $7 million.

I want to mention some of the very respected and eminent directors of this company. One of them is Mr. Wilfred Hall who is not only a director of this company but a director of five other companies as listed in the directory of directories. Then there is Mr. C. M. Fellows who is a director of eight companies. Here is a real example, Mr. N. A. Timmins, Jr., a director of at least 20 companies covering banks, insurance, pulp and paper and food.

The Anglo-Canadian Pulp and Paper Mills Limited were fined $3,000 in November, 1958, and $20,000 in June, 1960. Their president, Mr. W. H. Howard, is a director of at least 20 companies. Mr. W. E. Soles is a director of nine companies and Mr. M. J. Foley is a director of six companies. This company has been fined $23,000 in the last three years and they have reported profits of over $4½ million in each of the years 1960, 1961 and 1962.

[Mr. Orlikow.]

Let us take the E. B. Eddy Company. In 1954 they were fined $10,000, in 1958, $6,000 and in 1960, $20,000. In 1961 their profit was over $2 million. Their chief officer, Mr. George Metcalf, is a director of 10 companies. Mr. W. D. Moffatt is a director of three companies. The Gair Company of Canada, which is a part of the Continental Can Company, had a net profit in 1961 of $36 million. The company was convicted in 1940 and paid a fine of $10,000. In 1942 they were fined $2,500, in 1958, $3,000 and in 1960, $8,000. Their chief officer, Mr. James Stewart, is a director of 10 companies.

The Goodyear Tire and Rubber Company was convicted twice in 1953 and paid a fine of $10,000 each time. In 1959 they made a profit of $2,300,000, in 1960 a profit of $2,900,000 and in 1961 a profit of $3,610,000.

Does the government think for a moment that fines of $10,000 are going to stop these companies for one minute? Of course they are not. And so it goes down the list. I am not suggesting for a moment that jail sentences are the only way combines can be controlled. I wish the government would take the time to read the recommendations made by the members of the restrictive trade practices commission and the officers of the combines investigation branch of the Department of Justice. If they have read them they have certainly ignored the recommendations that have been made.

But if we cannot get any basic changes which will tend to control the desire of some of the biggest corporations of Canada to steal from the public, I suggest that one thing we can do is to impress upon the directors of these companies that this law is just as important as the law which says that somebody cannot go into a supermarket and steal a couple of dollars worth of groceries. I suggest that the same kind of treatment should be meted out to the company directors, to the members of the Rideau club or the Manitoba club in Winnipeg, who are among the most respected people in this country. The same kind of treatment should be meted out to them as is meted out to poor people who find it necessary to commit much smaller crimes. Mr. Speaker, these are the reasons why I have moved this bill.

Mr. Marvin Gelber (York South): Mr. Speaker, whom the good Lord hath joined together let no man rend asunder is a wise warning, but certainly the Combines Investigation Act and the Criminal Code are mute evidence that all mergers are not made in

heaven. It has been said, Mr. Speaker, that war is too important a thing to be left to generals and possibly the administration of this, one of the most sophisticated aspects of the Criminal Code, might be left to laymen. While I am not a lawyer I should like to say a few words about the interesting bill my hon. friend has introduced.

The growth of anti-combines legislation on this continent is a reflection of frontier society, the great democracy of the frontier, of the man who was prepared to hew out his fortune with his might, determination and good spirit and did not want any of it forfeit to great combines which existed many thousands of miles to the east of him. We also had during the period of the growth of combines legislation, particularly in the United States, great industrial complexes, and we had the era of the robber barons and the business buccaneers whose business ethics left a great deal to be desired. It is said about John D. Rockefeller, Sr., that he told his Sunday school class: "Don't be a good fellow; it doesn't pay". The record of his son and his grandsons in public generosity and public service is eloquent testimony that we have moved into a new epoch.

The most interesting qualification of this trend in the United States before the second world war, Mr. Speaker, was the N.R.A. by means of which an attempt was made to suspend some of the philosophy, some of the rules and the famous traditions of legal jurisprudence against combines in order to attempt to stimulate economic recovery of the United States. In our own time, during the second world war, the wartime prices and trade board was a most interesting interlude in the transformation of anticombines legislation. Price controls, wage controls and a very substantial element of planning were introduced in order to accelerate the mobilization of the resources of this country for our great wartime effort.

I should like to make two references, Mr. Speaker, to points raised by the hon. member for Winnipeg North (Mr. Orlikow). He suggested that the few investigations—he thought they were few—that had been undertaken under the Combines Investigation Act was a reflection of the relationship of the larger parties in this country to big business interests. I should like to point out to him that the act permits investigations to be initiated not only by the authorities but by six individuals. Any six individuals can oblige the machinery of government to start working and to carry on an investigation. I do not believe it is sufficient, therefore, to speak of this act as if one is on the stump. Certainly the act provides plenty of opportunity for the citizens of this country, should they become impatient with the administration of the act, to initiate investigations should they make such a demand.

Another question is raised by the hon. member in his reference to identical bids. This is a very difficult problem in the administration of the act. The people responsible for its administration have found that in dealing with homogeneous products it is most difficult for them to establish that a combine in restraint of trade exists. Where there are homogeneous products, the chances may well be that such a conspiracy does not exist.

I want to say, sir, that I am most sympathetic to the view of the hon. member. I know that the purpose of his bill is to strengthen the legislation existing on the statute books of this country. However, I do not believe it really deals with the fundamental problem. I do not believe it really deals with society in 1964. We are not in these days emerging from the frontier era and the great struggles of William Jennings Bryan, and the great progressive movements that emerged from the west in our own country. They relate to another day. It seems to me we are in a period where we have to examine again the laws on the statute books of this country, and to promote the new thinking which is being expressed in this house and in the country.

I should like to quote, Mr. Speaker, from an article by the dean elect of the faculty of law at McGill University, Professor Maxwell Cohen. This article appeared in the McGill *Law Journal* for 1963. Professor Cohen has had experience in the service of the government of Canada in this particular branch. He says this:

> Many pressures are now impinging upon the conventional wisdom of our anti-combines traditions and are compelling a re-examination of their validity. In a sense this policy has been paradoxically both a powerful and vulnerable instrument of indirect regulation of entrepreneurial activity and almost always it has been under a critical public and political eye. Then too, it is the one area where law and economic policy and theory touch with the directness of an embrace, for the objective of anti-trust law is the removing of restrictions on, and the preservation of "competition"; while, conversely, the existence of the "market", of competition from a general social point of view, is regarded as a substantial necessity for a free political order and social system. In no other field of legal studies, policy and

practice—except for criminal law and criminology perhaps—is there such a frontal co-mingling of the disciplines as in this sustained effort to prevent, through law, "undue" restrictions on competitive behaviour.

Now, Mr. Speaker, I will deal a little later in my remarks with some of the problems which the entire question of combines regulation raises. I should like to say something particularly about the bill of the hon. member. He proposes, first, that we have obligatory minimum sentences for second and other offences under this act. I understand, however, that this is a practice contrary to the trends in the courts today. I think we want to be mindful of the current trends when we propose amendments to the Criminal Code. If the hon. member is critical of them, it seems to me he should have said so. This bill, Mr. Speaker, encourages the view that the policeman should be the agent of economic policy.

I believe this is one of the great weaknesses in our own system of law. We have, probably because of our constitution, a Combines Investigation Act which is an aspect of our criminal law. The United States practice has much to teach us. They have greater latitude by reason of the fact that the federal government can legislate much more broadly in the field of civil jurisprudence. When one talks about second and third offences, I think he should remember that the people with whom we are dealing, as the hon. member pointed out, are large corporations. If you are dealing with corporations, you are not necessarily dealing with individuals, and certainly not the same individuals for the second and third offences if there are such offences.

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

Mr. Gelber: Yes.

Mr. Orlikow: Is a corporation an impersonal entity? Is there not someone who makes a decision that this action shall be taken, and is that person not responsible?

Mr. Gelber: Yes, certainly. I will deal with that. It is very easy for corporations, if these bodies get into difficulty as foreseen by the hon. member, to play an interesting game of musical chairs to avoid the particular regulation which he is asking this house to adopt.

Mr. Orlikow: They do not have to; but you will not put them in jail.

Mr. Gelber: I am just dealing with the regulations as they appear. I agree with the hon. member that we must have more definite

administration within this area. I feel that the particular suggestion he put forward is not necessarily going to add to the chances we might have for getting more effective regulation. We not only have this problem of the corporation and the shifting of personnel by which it is possible to vitiate completely the proposal of the hon. member, but we have also this problem of second and third offences. The practice has been for the courts to regard offences on the basis of commodities and products, and a corporation having a number of different products to manufacture will be considered a first offender in so far as each product is concerned. This again vitiates the particular suggestion of the hon. member, and I feel that these offences, not being cumulative, the proposal really does not seriously advance the administration of the act.

Then there is the question of damages, and in this connection I would like to read from a judgment in the Supreme Court of Canada, in the case of Direct Lumber Co., Ltd. *v.* Western Plywood Co., Ltd. in which Mr. Justice Judson said this:

—this criminal legislation gives no civil cause of action for its breach—

Later on he says this:

The common law itself imposes liability for harm caused by combinations to injure by unlawful means but the common law never gave any cause of action for price discrimination unaccompanied by conspiracy.

Now, on the question of the next clause, I would like to read a section of the Criminal Code because I feel clause 8 of the bill is redundant. Section 21 of the Criminal Code says:

(1) Every one is a party to an offence who
(a) actually commits it,
(b) does or omits to do anything for the purpose of aiding any person to commit it, or
(c) abets any person in committing it.

For this reason I maintain that clause 8 of the hon. member's bill is redundant.

On two occasions in the past, parliament has attempted to depart from the criminal nature of this area of jurisprudence, in 1919 and in 1935, and this legislation was declared ultra vires by the courts. Criminal procedure definitely inhibits the government in administering the act. It definitely inhibits administering any combines legislation, and under existing law no civil proceedings are available to an injured party and there is no provision made for awarding damages. In addition, Mr. Speaker, there is no civil procedure for obtaining a cease and desist order, only a criminal injunction or order of

prohibition against continuation or repetition of an offence.

There is no authority granted to administer any aspect of an industry. There is no provision for exceptions, discretionary or otherwise, to the operation of the law in particular cases. We all know that this is in very vivid contrast to the situation that exists in the United States, and we know that where there is a federal statute it certainly takes precedence over provincial statutes. The struggle for the right of labour to organize provided a definite exemption from the terms of this legislation, and we know that in England during the struggle for the right of association the common law was used to try to inhibit the formation of the trade union movement; but in our law we now have a definite exemption for labour. There is also the question of exemption for co-operatives, and exemption for the fishing industry.

In order to establish an offence there must be proven a tacit agreement. It is not necessary that there be an overt agreement, but a tacit agreement or understanding among the parties concerned, which would be considered sufficient to establish agreement. We also have to prove that a combine will unduly harm the public. That is also something which the courts require our authorities to establish.

Are the courts qualified to do the job which is required in terms of the administration of this type of act? I would like to read a statement from the judgment by Mr. Justice Spence in the Fine Papers case. He said this:

> Surely the determination of whether or not an agreement to lessen competition was "undue" by a survey of one industry's profits against profits of industry generally, and a survey of the movement of the prices in that one industry against the movement of prices generally, would put the court to the essentially non-judicial task of judging between conflicting theories of economy and conflicting political theories. It would entail the court being required to conjecture—and by a court, it would be nothing more than mere conjecture since a court is not trained to act as an arbitrator of economics—whether better or worse results would have occurred to the public if free and untrammelled competition had been permitted to run its course.

That is the main weakness of our situation, and you know, Mr. Speaker, in the amendments that were brought in a few years ago, in 1960, there are certain options open. The attorney general can have a case heard in the exchequer court and informed people believe—though it has never been tested in the Supreme Court of Canada—that by consent there can be an agreement in a case to dissolve combines. However, none of these cases has ever come to the Supreme Court of Canada and therefore the jurisprudence is not established.

It seems to me that the bill of the hon. member, being well intentioned, deals with details, in terms of the policeman filling the gap, when actually what we lack is an important development in this very important aspect of economic policy. We heard a great deal, when the bill to establish the economic council was introduced, about indicative planning. With the combines act on our statute books I do not think we can say all our planning is indicative, but we have to do a great deal more thinking in terms of planning, of obtaining greater efficiency, in terms of providing a greater stability for our economy in our battle for markets against important combinations abroad. It seems to me with the liberal background we have in this, and which we must strengthen, we must look for development in new areas, new departures and new channels.

Mr. Andrew Brewin (Greenwood): Mr. Speaker, in the pleasant and relaxed atmosphere of Friday afternoon it is a very great pleasure to rise in support of this excellent bill introduced by the hon. member for Winnipeg North (Mr. Orlikow). The hon. member for York South (Mr. Gelber) said we should have an important and significant development in this field. The passage of this legislation would be an important and significant development.

I quite agree with the hon. member for York South in what I understood to be implied in his remarks, namely that the regulations of trade and the monopolistic tendency in trade by the federal government are unfortunately confined to the application of criminal law. It is an unfortunate thing perhaps that head 2 of section 91 of the British North America Act which gave, in effect, exclusive power to the federal parliament to regulate trade and commerce, has been so whittled down by judicial interpretation as to be practically meaningless and that this parliament is therefore restricted in its ability to cope with monopolies, and the efforts made to cope with them have often been ineffective by reason of this constitutional limitation.

Perhaps it is for this reason that Canada, according to those who have studied the matter, is one of the most monopoly ridden countries in the world. I think it was Professor Reynolds in a book called "Competition in

Canada" who documented that statement. Of course, as a consequence of being monopoly ridden the people of Canada have to face an ever-increasing cost of living. However, until we get a new look at the constitution of Canada—and I hope this will not be too far in the future—we should revivify the power of regulation of trade and commerce which was given by the fathers of confederation to parliament; and until we do this it seems wrong not to take advantage of a bill designed to strengthen the only law we have, in its application to the criminal law, with penalties to attack the most obviously anti-social forms of monopoly.

At the present time, as the hon. member for Winnipeg North (Mr. Orlikow) has pointed out, the penalties, which are monetary penalties in most cases, are so small as to be totally ineffective. They are like a slap on the wrist. They constitute nothing more than a licence to carry on. There is no doubt that most combines, the activities of which fall under the attention of the courts in the course of lengthy proceedings, get some advice from good lawyers after a fine has been imposed and continue to carry on the same practices—

An hon. Member: Good lawyers?

Mr. Brewin: Not morally good, but good in their skills and techniques of evading the law. As a result this law is totally ineffective. My hon. friend from Winnipeg North has presented in this bill a means of putting teeth into the act. I can imagine nothing which would cause more serious thought among many of these respectable people of great wealth who are so often involved in breaches of this branch of the law than the prospect of spending some time in jail. This would indeed cause them to consider with great care—and I have some sympathy for them, I must admit—whether they should continue to break the law for a second time. After all, the bill before us only applies to second and consequent offences. Once they have been convicted they will think twice before repeating the offence, and I suggest that if we mean business by our combines legislation the amendment proposed by the hon. member represents the minimum we should enact in order to ensure that the law is enforced.

The hon. member for York South (Mr. Gelber) indulged in some observations about the philosophy of the law, and said this bill was against it. Let me say that the purpose of punishment in any system of advanced jurisprudence is deterrence—to see that an offence is not repeated. The present penalty provided under the law is not in any sense a deterrent. There is nothing punitive about the proposal of the hon. member for Winnipeg North. All he is trying to do is to deter, and to make sure an offence does not happen again; and he has, I think, found an admirable way of ensuring that legislation passed by the government of Canada is taken seriously. Indeed, I believe this parliament and the other law-making bodies should spend less time making general laws and more time in making sure that the laws they pass are capable of enforcement, because otherwise we place a great number of laws on the statute books which are disregarded in practice. For example, we have laws against combines in trade in Canada, yet we have more combines in trade here than in any other civilized country, relatively speaking, in the world. The hon. member for York South says: Very well, the bill is all right, but let us wait until we can take a longer look, a better look, at what is involved; let us put it off until tomorrow. This philosophy of always putting off until tomorrow a step which could be taken today is one of the reasons some people think parliament is becoming futile.

I see the parliamentary secretary to the Minister of Justice (Mr. Macdonald) armed with a vast number of books and no doubt he has some learning on this subject. I suggest to him he would be aiding the enforcement of the act for which clearly and definitely his department is responsible if he were to get up in a moment or two and say: This is an excellent bill; we are behind it; we accept the suggestion and we shall acquiesce in the passage of this measure in the remaining ten minutes we have.

Mr. Macdonald: On a question of privilege; the hon. member has mentioned my name. May I suggest that if I were to get up and say that, it would be an almost fatal shock to the hon. member's system.

Mr. Brewin: If the hon. gentleman was directing his comment to me, and I think he was, I would reply that I think this would be an excellent way of ending a parliamentary week, and if I did have to take some time recuperating, it would be well worth it.

[*Translation*]

Mr. G. C. Lachance (Lafontaine): Mr. Speaker, I agree with the hon. member for York South (Mr. Gelber) when he says that he does not think the bill greatly improves

the present legislation. I would like to deal more in detail with the few problems he has raised, if it is still possible, of course, although he did expound very well up to now several of the arguments I had put down about this bill.

Clauses 1 to 6 of Bill No. C-33 presented by the hon. member for Winnipeg North (Mr. Orlikow) deal with minimum jail terms for second offences. I feel there is no need to insist too much on the difficulties involved in the application of such legislation, were it adopted, especially for the following reasons:

1. Subsequent proceedings can hardly deal with an article of the same nature, as stated earlier by the hon. member for York South, in view of the fact that the courts decided a long time ago, as it should be, that each article had to be taken separately. For instance, in an industry which manufactures or sells electrical appliances, if proceedings are instituted with regard to a certain type of article, it is rather difficult to institute similar proceedings later on. That is why second offences, or at least prosecutions in this respect are a rare occurrence.

2. The people who are engaged in the handling or manufacture of those various products, or even the directors of those various companies, in the case of corporations, change regularly. We all know about the delays and extended periods between a prosecution and another; it can often take five, six, seven, and even eight years between two prosecutions. It would therefore be rather difficult to believe that the same individuals are performing the same duties in such a case.

Then, the application of such an amendment would be rather difficult especially since most of the time, as mentioned by the previous speakers, those proceedings are only instituted against corporations. It is difficult to sentence a corporation to a jail term.

[*Text*]

Mr. Orlikow: How about their officers?

[*Translation*]

Mr. Lachance: Mr. Speaker, I trust that I will be able to discuss this question of officers in a moment.

Section 7 raises problems of civil and criminal jurisdiction which give rise to a legal controversy so important that it would seem difficult to expect a solution, at least an immediate solution. Consequently, from the practical viewpoint, it seems to me that it is of very little importance, all the more so as the injured party can always sue for damages before civil jurisdictional courts.

I do not think that the government authorities should interfere with the freedom of the individual to exercise his rights. The more so, since there is no appeal against the judgments of commissions while there is an appeal from the judgments of civil jurisdiction courts.

Clause 8 of Bill No. C-33 has certainly much merit, because I fail to see why section 38, paragraph 3 of the act itself does not apply to some offences. I know that the hon. member for York South mentioned the case and even quoted the jurisprudence concerning section 21 of the Criminal Code as regards collusion in cases of criminal offences.

He quoted jurisprudence concerning a person abetting another to commit an offence, or part of an offence. That may be the reason why I said earlier that section 38(3) only applies to certain offences, since section 21 covers those cases. Perhaps the various offences should be explained further, but I think that under the circumstances section 21 meets the requirements.

The hon. member for Winnipeg North would have made a better and more objective contribution had he suggested amendments so that minimum penalties, not only for habitual offenders, but also in the case of first offences, would be proportionate to the amount involved or the seriousness of the offence committed and also proportionate to the assets of individuals or companies found guilty.

The hon. member for Winnipeg North spoke earlier of minimum fines for certain large companies. It is true that those large companies can often afford to pay those fines and that sometimes they are not heavy enough. That is the reason why I suggest it might be advisable to levy fines in keeping with the seriousness of the offence committed or with the assets of indivduals or companies found Then, if the offence involved a sum of, say, $3 million, then the minimum fine would be 5 or even 10 per cent of this amount. I think that before breaking the law, those corporations or individuals would then think about it twice.

Moreover, Mr. Speaker, I am reluctant to approve of jail sentences for statutory offences.

[*Text*]

Mr. Orlikow: Especially for the rich.

[*Translation*]

Mr. Lachance: Mr. Speaker, in view of what I said previously concerning appropriate fines and also the fact that I have considerable experience in the practice of law, I do not feel that a penalty of one or two years imprisonment is a sufficient deterrent to the commission of a crime. I know that there are two schools of thought in that respect and that both set forth strong arguments.

Mr. Speaker, I know, or at least, I think I do—and I am not the only one in that situation—individuals who have robbed banks or at least committed big robberies who would not mind to contravene this act and spend a year or two in jail after having collected $300,000 if they knew they could have an easy life afterwards.

Hence, there are two schools of thought in this connection, and a jail sentence of one or two years does not necessarily constitute an obstacle to the commission of a second offence.

Consequently, Mr. Speaker, I feel that my argument is as good as that of the hon. member for Winnipeg North. And when he speaks of the wealthy, I think it is my duty to tell him that wealth is always relative, the more so that usually action is taken against very wealthy and very strong companies whose shares are held by the general public. Moreover, Mr. Speaker, it is the directors of these companies who take the means—

Some hon. Members: Six o'clock.

Mr. Lachance: Mr. Speaker, I understand that I still have about 30 seconds to close my remarks.

As I said a while ago, I am against jail sentences, because the general public, under the law of supply and demand, is able to look after its interests; besides, that is what it does in most cases.

[*Text*]

The Acting Speaker (Mr. Batten): Order. The hour for the consideration of private members' business has expired.

BUSINESS OF THE HOUSE

Mr. Churchill: Mr. Speaker, I would ask the house leader to record on *Hansard,* for the convenience of hon. members, the government's program of business for Monday and Tuesday of next week.

Mr. Favreau: Mr. Speaker, on Monday we will begin the debate on the second reading of the bill to amend the National Housing Act, after which we will take the second reading of the bill to amend the Farm Credit Act.

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

HOUSE OF COMMONS

Monday, June 8, 1964

The house met at 2.30 p.m.

MARINE AND FISHERIES

CONCURRENCE IN SECOND REPORT OF STANDING COMMITTEE

Mr. C. R. Granger (Grand Falls-White Bay-Labrador) presented the second report of the standing committee on marine and fisheries, and moved that the report be concurred in.

Motion agreed to.

EXTERNAL AFFAIRS

NATO—NOMINATION OF JAMES A. ROBERTS AS DEPUTY SECRETARY GENERAL

Hon. Paul Martin (Acting Prime Minister): Mr. Speaker, I am sure the house will be pleased to learn that in response to a request that Canada nominate a candidate for the post of deputy secretary general of the North Atlantic Treaty Organization, the Canadian government has agreed to release Mr. James A. Roberts, deputy minister of trade and commerce for this important assignment.

This appointment is being announced today in Paris by Mr. Stikker, the secretary general of NATO, after consultations with the secretary general-designate, Signor Manlio Brosio. Mr. Roberts will take up his new duties with NATO on September 1 of this year. I am confident that he will perform them with the same efficiency and distinction that have been characteristic of the manner in which he has discharged his responsibilities throughout his tenure of high public office in Canada.

CROP INSURANCE ACT

AMENDMENTS RESPECTING REINSURANCE PROGRAM

Hon. Harry W. Hays (Minister of Agriculture) moved that the house go into committee at the next sitting to consider the following resolution, which has been recommended to the house by His Excellency:

That it is expedient to introduce a measure to amend the Crop Insurance Act to authorize the governor in council to enter into agreements for the purpose of establishing a crop reinsurance program to supplement provincial crop insurance plans; to provide for the establishment in the consolidated revenue fund of a special account, to be known as the crop reinsurance fund, to which shall be credited amounts paid by a province under a crop reinsurance agreement and out of which shall be paid amounts required for the payment of reinsurance claims; to authorize advances from time to time from the consolidated revenue fund by way of non-interest bearing loans to the crop reinsurance fund; and to authorize the rebate, to grain growers whose grain is grown on insured lands, of sums paid by way of levy under the Prairie Farm Assistance Act.

Motion agreed to.

QUESTIONS

(Questions answered orally are indicated by an asterisk.)

RECOMMENDATIONS OF JOINT INDIAN AFFAIRS COMMITTEE

Question No. 870—**Mr. Howard:**

What action, in detail, has been taken with respect to each of the following recommendations of the joint committee of the Senate and the House of Commons on Indian affairs:

"(a) Indian affairs should be the subject of a dominion-provincial conference in order that such matters may be transferred to provincial jurisdiction as may be mutually acceptable to the Indian people, provincial and federal authorities.

(b) Another special joint committee of the Senate and House of Commons should be appointed within a period of seven years to review Indian affairs.

(c) A program of research into the economic, cultural and social concepts of the Indian people should be undertaken in conjunction with the provinces and universities.

(d) Community planning and development studies should be continued."?

Mr. Badanai: (a) The administration of Indian affairs was on the agenda of the federal-provincial conference held in Ottawa in November, 1963. It was agreed that a federal-provincial ministerial conference on Indian affairs be convened in 1964. Although the month of May was suggested as the most suitable time, it was not possible to complete the planning in time. However, planning is continuing and the conference will be held later in the year.

(b) No action is being taken to recommend another special committee of the Senate and House of Commons to review Indian affairs at this time as the seven year period referred to in this recommendation will not be reached until 1968. The establishing of such a joint committee will be a matter for parliament to decide.

(c) A national Indian research project to assess the participation by Indians in the social and economic life of the country is being undertaken by Dr. H. B. Hawthorn of

the University of British Columbia as director and Dr. Adélard Tremblay of Laval University as associate director. The research will cover four major areas concerning Indians: economic development; advancement in education; responsibilities that exist at various government levels; and band councils and the development of self government. It is expected that the research project will be completed in 1966.

(d) Increasing attention has been given to community planning and development studies in recent years. An economic development study for the Blood Indian reserve has been carried out. This includes demographic analyses, studies on mineral resources, soils, range, agriculture, forestry, etc. Studies for the economic development of Indians in the Patricia district of Ontario have been carried out in collaboration with the provincial department of lands and forests. A preliminary inventory of Indian reserve resources is now in progress.

WORLD FAIR CAR RENTALS

Question No. 873—**Mr. Bell:**

Is it the policy of the world fair Canadian corporation for the 1967 world exhibition to use car rental service and, if so, each day for the period April 12 to 18, 1964, how many vehicles were hired and from what service?

Answer: For the period of April 12 to 18, 1964, arrangements to hire one vehicle had to be cancelled subsequently and no vehicles were hired in addition to those that are presently rented on a permanent basis by the corporation.

APPOINTMENT OF PILOTS, PUGWASH, N.S.

Question No. 893—**Mr. Coates:**

1. What are the names, residences, ages, and the experience, of the two new pilots appointed by the Pugwash pilotage authority?
2. What is the name of the examiner who approved the appointment of the pilots in question, and what are his qualifications?

Mr. Pickersgill: 1. Mr. Harold Allen, Pugwash, age 36, appointed pilot, one season experience as apprentice pilot. Mr. Otis Allen, Pugwash, age 30, appointed apprentice pilot, no experience.

2. Mr. Harold Allen was appointed pilot by the Pugwash pilotage commission in March 1964 on the recommendation of past pilot and pilot master H. E. Vanember. Mr. Otis Allen was recommended as apprentice pilot by the Pugwash pilotage commission.

RAIL INSTALLATIONS, PIER "C", PICTOU, N.S.

Question No. 904—**Mr. MacEwan:**

Is it the intention of the Canadian National Railways and/or the Department of Transport to carry out rail installations on other than the south side of pier "C" at Pictou, Nova Scotia?

[Mr. Badanai.]

Mr. Pickersgill: The management of Canadian National Railways advises that it is not the intention of the company to carry out rail installations on other than the south side of pier "C" at Pictou, N.S.

SOUTH SASKATCHEWAN DAM

Question No. 930—**Mr. Francis:**

1. On what date was the decision taken to build the South Saskatchewan dam?
2. What was the financial arrangement between the government of Canada and the government of the province of Saskatchewan?
3. What is the total value in dollars of contracts that have been let on this project to date?
4. What is the anticipated total cost of the project to each government?
5. What will be the installed capacity of power in the power section, and what will be the cost per kilowatt of installed capacity?
6. Did the provincial government undertake to supply and service 50,000 acres of farmland for irrigation?
7. Did the government of Saskatchewan in 1963 indicate it was no longer interested in supplying the acreage referred to in question 6 and, if so, what reasons did it offer for this decision?
8. If the irrigation project does not proceed, what advantages will accrue from the building of the dam other than power production?
9. Have there been any technical difficulties in the construction of the dam?
10. What is the anticipated annual interest and amortization cost of this project?
11. What plans has the government to meet the costs enumerated in question 10 above?

Mr. Hays: 1. The agreement between Saskatchewan and Canada was completed on July 25, 1958.

2. The cost sharing arrangement is as follows:

(1) By Saskatchewan: (a) 25 per cent of the cost of the reservoir with the provision that this amount is limited to $25,000,000; (b) all costs associated with the irrigation development, recreational development and powerhouse development, except that Canada pays 25 per cent of the construction costs for installing the penstocks.

(2) By Canada: (a) 75 per cent of the cost of constructing the reservoir for all costs up to $100,000,000; (b) all costs of constructing the reservoir in excess of $100,000,000. (c) 25 per cent of the cost of construction of the penstocks; (d) the cost of all engineering, administrative and legal services related to the construction of the reservoir.

3. Total value of contracts awarded to March 31, 1964, $95,211,909.37.

4. Current estimated cost; cost to Canada, reservoir and penstocks, $86,000,000.

Cost to Saskatchewan:

Reservoir		$ 25,000,000
Other developments:		
Irrigation	$45,000,000	
Power	$30,000,000	
Recreation	$15,000,000	$ 90,000,000
Total		$115,000,000

5. Initial installed capacity will be 187.5 megawatts. The cost of this installation will be $132.00 per kilowatt. This figure includes 100 per cent of the cost of penstocks, power plant, and engineering, but does not include any costs of construction of the dam.

6. Yes.

7. There has been no indication from the government of Saskatchewan that it will not be proceeding with the irrigation development.

8. Project benefits other than irrigation and power:

(1) Urban and industrial water supplies: the availability of water directly from the reservoir and from the Qu'Appelle river diversion will assure domestic and industrial supplies for many towns and cities in southern Saskatchewan.

(2) River regulations: The storage provided in the reservoir and the associated river control will greatly increase power benefits downstream at all present and future sites.

(3) Recreation: The reservoir will be within 100 miles of 400,000 Saskatchewan people and lies in the area which is short of water for recreational purposes.

(4) Interbasin diversions: In the event of large scale interbasin diversions in the future, the South Saskatchewan river reservoir will become the hub of a major water supply system for storage and redistribution to water short areas in southern Saskatchewan and Manitoba.

9. There have been technical difficulties encountered in the construction of the tunnels as well as some parts of the embankment which in some cases have resulted in delays in the work schedule.

10 and 11. The cost of this project is not being amortized. Canada's share of the cost is considered to be in the form of a direct contribution for agricultural rehabilitation and development purposes.

Note: Information in regard to the provincial program and cost has been provided by the South Saskatchewan river development commission of the province of Saskatchewan and the Saskatchewan Power Corporation.

DEFENCE AND RESEARCH EXPENDITURES, B.C.

Question No. 966—**Mr. Basford:**

1. For the fiscal years 1962-63, 1963-64, what grants in aid of research were made by the defence research board within the province of British Columbia and, to whom, in what amounts, and for what projects?

2. For the fiscal years 1962-63, 1963-64, what expenditures were made within the province of British Columbia, under the development sharing assistance program of the Department of Defence Production and, to whom, in what amounts, and for what projects were such expenditures made?

Questions

3. For the fiscal years 1962-63, 1963-64, what contracts were let for production within British Columbia of military equipment and material under the auspices of the Canada-United States defence development and production sharing program, and with whom were such contracts made, the value thereof, and what was the equipment and material to be produced or supplied thereunder?

Mr. Lamontagne: In so far as the Department of National Defence is concerned.

1. 1962-63, $187,435; 1963-64, $190,005.

The amounts, projects and other details relating to these grants are classified military information.

In so far as the Department of Defence Production is concerned.

2. None.

3. Companies within British Columbia received contracts for military equipment and material under the auspices of the Canada-U.S. defence development and production sharing program amounting to $1,997,915 for the fiscal year 1962-63 and $1,327,426 for the fiscal year 1963-64. Details of contracts placed by the U.S. military services, or subcontracts thereunder, are provided to the Canadian government on a confidential basis as they have been awarded in competition with U.S. firms, paid for by the U.S. military departments and do not involve the payment of Canadian government funds.

*URANIUM STOCKPILING IN BANCROFT AREA

Question No. 983—**Mr. Lamb:**

Does the government intend to stockpile uranium in the Bancroft area in order to keep the Cardiff mine in operation?

Mr. Pepin: The answer is no.

PETITIONS RESPECTING CATV

Question No. 993—**Mr. McBain:**

1. How many letters, petitions, telegrams, etc., with total number of signatures, have been received by the Prime Minister and/or the Minister of Transport from viewers of CATV protesting the imposition of any discriminatory regulations on such service?

2. On what date will the government set up a special committee on broadcasting to which the matter of CATV service might be referred?

Mr. Lamontagne: 1. Number of letters, petitions, telegrams, etc., 1,719; total number of signatures, 2,155.

2. As indicated in a reply to a question in the house on May 25, 1964, the government does not propose the establishment of a special committee on broadcasting during the present session. (*Hansard*, p. 3522).

TRAIN SERVICE FROM NORTH TO MONTREAL

Question No. 995—**Mr. Laprise:**

In order to improve travel services, is it intended to shorten the time required for the rail trip between Cochrane and Montreal, and between

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Rouyn-Noranda and Montreal and, if so, will the change allow travellers to make these trips, in either direction, at night?

[*Translation*]

Answer: The management of Canadian National Railways advises as follows:

The design of train schedules, of necessity, must also take into account the requirements of mail and express. As there is insufficient traffic volume to justify separate services for these needs in this particular area, no change in schedules is contemplated at the present time.

[*Text*]

ABANDONMENT OF C.N.R. LINE, FREDERICTON-CENTREVILLE, N.B.

Question No. 1,028—**Mr. MacRae:**

1. Have any surveys been made by Canadian National Railways concerning their line between Fredericton and Centreville, New Brunswick, with a view to requesting abandonment of said line and, if so, what was the result of such survey?

2. Is it the intention of Canadian National Railways to seek permission to abandon the Canadian National Railway line between Fredericton and Centreville, New Brunswick?

Mr. Pickersgill: The management of Canadian National Railways advises as follows:

1 and 2. It is management's understanding that present plans for construction of the Mactaquac power development call for flooding of a portion of this line. This matter is the subject of negotiations between the parties involved.

LAND EXPROPRIATIONS, NATIONAL CAPITAL COMMISSION, OTTAWA

Question No. 1,043—**Mr. Richard:**

Does the national capital commission plan to expropriate property in the New Edinburgh area of the city of Ottawa subsequent to the forthcoming removal of the C.P.R. spur line between Beechwood avenue and Sussex drive and in connection with the proposed extension of the N.C.C. driveway along the Rideau river and, if so, what properties are involved and how soon after the track removal would expropriation notices be sent out to the property owners involved?

Answer: The national capital commission has no plans at present to expropriate property in the New Edinburgh area of the city of Ottawa subsequent to the removal of the C.P.R. spur line between Beechwood avenue and Sussex drive.

AIR POLLUTION RESEARCH

Question No. 1,065—**Mr. Howe (Wellington-Huron):**

1. Is the Department of National Health and Welfare conducting a program of research on air pollution and, if so, what have been the findings of this program as to its cause in connection with (a) the motor car, the truck and the bus (b) industrial and commercial enterprise (c) nuclear fall-out?

2. Have any conclusions been arrived at as to methods of control?

3. How much has this program cost to date?

[Mr. Laprise.]

Miss LaMarsh: 1. Yes.

(a) Motor car. The principal cause of air pollution from the motor car is the emission of unburned fuel or hydrocarbons, carbon monoxide, carbon dioxide, oxides of nitrogen, sulphur dioxide, organic compounds such as aldehydes, acids, alcohols, esters, phenols, carcinogens and others, smoke and particulate matter, including lead.

Truck and bus. Similar to above for those operating on gasoline. Diesel engines produce much lower or negligible concentrations of carbon monoxide for all operating conditions; except acceleration or other heavy load conditions. However diesel emissions of hydrocarbons and oxides of nitrogen, expressed in lbs. per hour, are greater in all cases than the values for gasoline engines. Odour and irritation of diesel exhaust are due principally to the content of aldehydes.

(b) Industrial and commercial enterprises. Causes of air pollution from this source are many and varied, depending upon the nature of the enterprise. Combustion products of solid fuels may pollute the air with smoke, fly ash up to 10 per cent of the fuel used, sulphur oxides, oxides of nitrogen, hydrocarbons, organic acids and aldehydes and many other products. Liquid fuels in combustion contribute very much less ash, but similar quantities of sulphur oxides, depending upon the sulphur content of the fuel, and products similar to those mentioned above. Gaseous fuels contain no ash or sulphur and produce the least quantity of contaminants during combustion.

Some of the major contaminants from industrial enterprises are sulphur dioxide from smelting of sulphide concentrates; odorous sulphur compounds from pulp and paper mills; fluorides from aluminium defining and phosphate fertilizer production; sulphur dioxide, other odorous sulphur compounds, hydrocarbons and catalyst dust from oil refining; arsenic from roasting of arsenical gold ores; oxides of nitrogen and ammonia from manufacture of nitric acid and nitration products; chlorine from electrolysis of salt; lead from battery plants and smelters; zinc from metallurgical plants; iron oxide dust and sulphur dioxide from iron and steel manufacturing; dust from cement manufacture and other crushing, grinding and sintering or roasting operations. Almost every industrial process gives rise to air contamination of one form or another.

(c) Nuclear fall-out. As part of its comprehensive radioactive fall-out study program, the Department of National Health and Welfare has, with the co-operation of the meteorological services branch of the Department of Transport, established a program

of air and precipitation sampling and analysis for radioactive fall-out. A network of 24 sampling stations provides the Department of National Health and Welfare with: (a) 24 hour air filter samples, daily; (b) accumulated rainfall and snowfall samples, monthly. These samples are analysed for total fall-out activity and the precipitation samples are further analyzed for strontium 89, strontium 90 and caesium 137. Results are published monthly in Data from Radiation Protection Programs (a copy of the latest issue of which was tabled in the house on May 20). Fall-out levels at any station or any part of the country are governed by nuclear weapons testing programs and by meteorological conditions, they are not known to contribute to air pollution in the sense that motor cars and industrial and commercial enterprises do.

2. (a) Methods of control for motor vehicles. Intensive studies on various control systems have been under way in the United States by the public health service, the state of California, the automobile manufacturers association in Detroit and other organizations for some years. These systems include the design of new engine processes, improved carburetor design and catalytic or flame combustion of exhaust gas by means of an afterburner. The state of California has established performance requirements for the control of contaminants in exhaust of motor vehicles but no system has been approved for installation as yet. The Department of National Health and Welfare is keeping abreast of such developments.

A partial palliative has been found in the installation of a crankcase control device to prevent air pollution from engine blowby gas. This device is now manufactured for installation in the United States.

(b) Control methods for industrial and commercial enterprises. Remedial measures and control systems have been designed for the collection of dusts or mists and the absorption of many gaseous contaminants. Solid or liquid particulates may be removed from stack gases by electrostatic precipitation, venturi or other scrubbers, cyclone collectors, fibrous filters or sonic agglomeration. Sulphur dioxide from smelting and sintering operations may be converted to sulphuric acid and phosphate fertilizers. Fluorides may be removed by wet scrubbers. Odorous compounds and solvent vapours may be burned by catalytic combustion or removed by activated carbon. In some cases the recovered products can be returned to the process or converted economically to valuable by-products. However research is being conducted in many countries on the development of processes for the removal of sulphur dioxide, oxides of nitrogen and other contaminants occurring in low concentrations in flue gases, especially those from thermal power plants. The Department of National Health and Welfare is being kept informed regarding such developments.

(c) Control of nuclear fall-out in air can be effected by termination of atmospheric nuclear weapons testing.

3. The air pollution program was initiated in 1956 within the occupational health division of the Department of National Health and Welfare and has cost about $400,000 since that time. The program is closely integrated with air pollution control activities of provincial health departments.

The radioactive fall-out study program was initiated in 1959 within the radiation protection division of the Department of National Health and Welfare and has cost approximately $100,000 since that time.

FIREFIGHTING EQUIPMENT AT NORTHERN AIRPORTS

Question No. 1,093—**Mr. Rhéaume:**

1. Is the firefighting equipment now available at each of the following airports adequate to meet safety requirements (a) Fort Smith (b) Yellowknife (c) Inuvik and, if not, what additional equipment is required at each of the above locations to bring them up to minimum standards?
2. What plans, if any, have been made to obtain this equipment and make it available?

Mr. Pickersgill: 1. (a) Fort Smith, adequacy has been under review due to recent increases in air traffic. (b) Yellowknife, yes; (c) Inuvik, yes.

2. A new 400 gallon foam crash truck is being purchased in 1964-65 for Fort Smith.

LEUKEMIA—VALIDITY OF CURE CLAIM

Question No. 1,100—**Mr. Monteith:**

As certain news reports may have raised false hopes in those suffering from leukemia would the Minister of National Health and Welfare issue a press release giving the department's views concerning the validity or otherwise of any possible cure for this dreadful disease which appears to have been claimed by a Mr. Naessens now visiting Canada?

Miss LaMarsh: The Department of National Health and Welfare is watching this situation very carefully and if and when it seems desirable to issue a statement on the subject the minister would consider doing so.

REVENUE AND OPERATING COSTS OF FARMERS

Question No. 1,117—**Mr. Latulippe:**

1. What was the total gross revenue of Canadian farmers in the years 1960, 1961, 1962 and 1963?
2. What was the total net revenue of Canadian farmers in the years 1960, 1961, 1962 and 1963?
3. What were the total operating costs incurred by Canadian farmers in the years 1960, 1961, 1962 and 1963?

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4. What was, by province, the average gross revenue of farmers in the years 1960, 1961, 1962 and 1963?

5. What was, by province, the average net revenue of farmers in the years 1960, 1961, 1962 and 1963?

6. What were, by province, the average operating costs incurred by farmers in the years 1960, 1961, 1962 and 1963?

[*Translation*]

Answer: 1 and 2. In dealing with this question, it must be made clear that all information concerning estimates of farm income or revenue represent only the farmers' income due to their farming operations. Out of farm revenues are not included.

1. 1960, $3,256,722,000; 1961, $3,054,429,000; 1962, $3,758,370,000; 1963, $3,896,278,000.

2. 1960, $1,340,364,000; 1961, $1,074,672,000; 1962, $1,678,772,000; 1963, $1,716,345,000.

3. 1960, $1,916,358,000; 1961, $1,979,757,000; 1962, $2,079,598,000; 1963, $2,179,933,000.

4, 5 and 6. The dominion bureau of statistics does not establish official estimates as concerns average agricultural income and expenses per farm, because of the difficulty of obtaining, on the number of farms or farmers, adequate figures which could serve in calculating all-purpose estimates. Usually, various figures are provided, allowing the user to choose the divider most appropriate to his needs.

According to the 1961 census, the number of farms, by province, in Canada is the following: Prince Edward Island, 7,335; Nova Scotia, 12,518; New Brunswick, 11,786; Quebec, 95,777; Ontario 121,333; Manitoba, 43,306; Saskatchewan, 93,924; Alberta, 73,212; British Columbia, 19,934.

The abovementioned farms were counted at the time of the 1961 agriculture census, according to a definition determining that a farm is an establishment of one acre or more, whose sales of farm products during the 12 months preceding the date of the census were evaluated at $50 or more. Newfoundland was omitted since no regular estimates of farm income are made for that province.

Moreover, the census established an estimation of the number of commercial farms in Canada, the supposition being that a commercial farm is a farm which during the 12 months before the date of the census sold farm products estimated at $1,200 or more. The number of such farms per province is as follows: Prince Edward Island, 4,530; Nova Scotia, 4,939; New Brunswick, 5,116; Quebec, 62,497; Ontario, 90,345; Manitoba, 33,522; Saskatchewan, 82,285; Alberta, 58,698; British Columbia, 10,902.

Since figures of that nature are collected only at the time of the census, there are no comparable figures for the years 1960, 1962 and 1963. However, the numerical variations during that period are probably unimportant. The use of those figures is based on the assumption that there is approximately one farmer per farm. The labour summary compiled by the dominion bureau of statistics gives annual information on the number of farmers in Canada, but not for each province.

The attached table indicates the provincial figures for gross receipts and operation costs for the requested years.

	Prince Edward Island	Nova Scotia	New Brunswick	Quebec	Ontario	Manitoba	Saskatchewan	Alberta	British Columbia	CANADA
					in thousands of dollars					
1960										
Operating costs and depreciation	20,087	38,645	37,902	313,343	637,379	150,513	335,995	291,000	91,494	1,916,358
Total gross income	33,442	53,686	61,126	499,029	969,171	266,446	708,976	520,200	144,646	3,256,722
Total net income	13,355	15,041	23,224	185,686	331,792	115,933	372,981	229,200	53,152	1,340,364
1961										
Operating costs and depreciation	21,463	40,872	40,275	329,138	671,266	152,381	327,410	301,888	95,064	1,979,757
Total gross income	28,271	55,691	52,185	520,123	1,025,212	214,585	460,345	541,952	156,065	3,054,429
Total net income	6,808	14,819	11,910	190,985	353,946	62,204	132,935	240,064	61,001	1,074,672
1962										
Operating costs and depreciation	21,619	42,447	40,904	346,802	691,588	165,349	353,851	317,699	99,339	2,079,598
Total gross income	28,594	55,102	52,766	547,080	1,071,119	339,795	859,889	634,364	169,661	3,758,370
Total net income	6,975	12,655	11,862	200,278	379,531	174,446	506,038	316,665	70,322	1,678,772
1963										
Operating costs and depreciation	22,439	44,102	41,776	365,021	714,215	171,455	382,762	335,429	102,734	2,179,933
Total gross income	29,285	55,343	52,767	553,258	1,092,081	291,526	985,821	667,282	168,915	3,896,278
Total net income	6,846	11,241	10,991	188,237	377,866	120,071	603,059	331,853	66,181	1,716,345

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[*Text*]

WORLD FAIR PUBLICITY

Question No. 1,121—**Mr. Latulippe:**

Has the Canadian world exhibition corporation completed the estimates relating to credits to be provided to the nine companies in charge of publicity for the corporation and, if so, what is the total amount of the credits and how much is available to each of these companies?

[*Translation*]

Answer: No credit allotments have been made and assignments to such associate companies are made as occasion arises in the light of special qualifications of the company selected for each specific project.

[*Text*]

CANADIAN ARMY PERSONNEL AND EQUIPMENT

Question No. 1,126—**Mr. Latulippe:**

1. How many men were added as reinforcements to the Canadian infantry brigade in West Germany during the past two years?
2. How many soldiers belonging to the NATO mobile reserve are stationed in Canada?
3. How many M-113 armoured transports does the Canadian army have, where were they purchased and, at what price?
4. How many heavy transport helicopters does the Canadian army have, where were they purchased and, at what price?
5. What changes will be made in the organization of the Canadian troops attached to NATO following the revision of the defence cadres foreseen in the defence white paper?

[*Translation*]

Answer: 1. There has been no change in the general strength of our brigade in federal Germany during the past two years.

2. An infantry battalion group which can be air-lifted with its supporting elements has been chosen for integration into Saceur mobile troups.

3. At this time, the Canadian army has no M-113 vehicles. A contact was let to the Food Machinery Corporation of Sante Fe (California) and the delivery of M-113 to the Canadian army will start in September 1964. The unit price of those vehicles, f.o.b. United States, is the following: 450 M113-Al armoured troop transports, $25,805 each; 11 M577-El HQ vehicles, $33,289 each.

4. The Canadian army has no heavy transport helicopters. Twelve Vertol 107 helicopters have been ordered. The delivery of the first aircraft is to take place in August 1964. Two others will be delivered in September and October respectively, and the rest of the order will be carried out at the rate of one a month.

The contract, which was awarded to the Boeing Company, Vertol Division, Morton (Pennsylvania, U.S.A.) is dated February 14, 1964.

The price of each aircraft is $922,340, Fly Away-Field, Arnprior airport (Ontario), plus sales tax.

[Mr. Latulippe.]

5. The main changes contemplated in respect of the reorganization of Canadian troops in NATO will be to increase their mobility so as to allow maximum flexibility in deployment. The changes will be operated in agreement with the NATO authorities according to needs.

[*Text*]

CANADIAN COASTGUARD COLLEGE

Question No. 1,135—**Mr. Muir (Cape Breton North and Victoria):**

1. How many employees of the Point Edward naval base who have already been released or will be released as a result of the closure of the ship repair depot will receive employment at the Canadian coastguard college to be established at Point Edward, as recently announced by the Minister of Transport?
2. Is it the intention of the Department of Transport to have all vessels of the Canadian coastguard that can be accommodated at Point Edward repaired there?

Mr. Pickersgill: 1. Plans for the organization and staffing of the Canadian coastguard college to be established at Point Edward are not yet sufficiently advanced to know how many locally engaged employees will be required.

2. No.

NEW INDUSTRIES ESTABLISHED

Question No. 1,139—**Mr. Latulippe:**

1. Since the establishment of the Department of Industry how many new industries have come to Canada or been created in this country through the direct co-operation of the department?
2. What industries were involved and where is each situated?
3. What capital was invested in each case?
4. What taxes, municipal, provincial and federal, have these companies paid since their establishment?
5. How many persons are employed by each such company?

Mr. Drury: 1 to 5. The Department of Industry is assisting new industries in many ways to establish in Canada. This is being achieved by the introduction of incentives such as the automotive incentive plan and the designated areas tax incentives program, as well as by other forms of assistance to achieve better industrial design, more diversification and efficiency in production, and a greater degree of industrial research and development in Canadian industry, thereby providing better access to domestic and foreign markets. Statistics are not maintained, nor would it be practical to attempt to do so, on the number of new industries which have been assisted, their locations, capital costs, taxes paid and employment.

MONORAIL CONSTRUCTION, WORLD FAIR

Question No. 1,140—**Mr. Latulippe:**

1. Is a monorail planned for the 1967 exhibition?

2. Has Taylor Woodrow Canada Ltd. begun negotiations with the exhibition authorities with regard to the construction of a monorail?

3. Have other companies also undertaken such negotiations and, if so, which companies?

4. Will the Taylor monorail be financed by French interests and, if so, who are they?

5. Who would own such a monorail?

6. Who would control the monorail for the exhibition corporation?

7. Have tenders been invited for the construction of a monorail by the exhibition corporation and, if so, have any tenders been received to date and from whom and for what amounts?

[*Translation*]

Mr. Sharp: 1. Consideration is being given to the use of a monorail. However, no decision has been made to date.

2. Discussions have taken place with Taylor Woodrow, and others as a result of a public tender called for mass transit system, which was advertised internationally, which tenders were received on April 22.

One of the bids submitted was by Janin, Bédard-Girard with Taylor Woodrow as their subcontractor.

3. The C.C.W.E. has not entered into any contract negotiations with any company to date. Among the bidders who submitted tenders for the design and construction of a mass transit system, the following have submitted prices for the whole or part using monorail: Hawker Siddeley Canada Limited; Janin, Bédard-Girard, Joint Venture; Dufresne Engineering Company Limited; C. A. Pitts, Mechanical Handling System, Joint Venture.

4. Taylor Woodrow Canada Limited have a commonwealth franchise for Safege Monorail as designed by Safege Transport of Paris.

5. Industry has been invited to submit proposals for the supply and operation of monorail and other systems for secondary transportation on a concession basis. Several propositions have been received and are under study.

To date it has not been decided—(a) that a monorail would be a part of the exhibition; (b) that such a system would be better operated as a concession or purchased by the C.C.W.E. and subsequently sold.

6. This question has been answered under No. 5.

7. Tenders were called for the design and construction of the "mass transit system" on February 24, 1964 on the basis of plans and specifications prepared by Dillon Associates, consulting engineers to the C.C.W.E.

These specifications were of a broad nature and did not limit the type of system that could be proposed.

Basic criteria were as follows: (a) A primary system capable of transporting 30,000 people per hour from the island of Montreal to the exhibition site; (b) five secondary systems ranging in volume from 8,500 to 10,000 people per hour to provide inter-exhibition area transportation.

Tenders submitted included the use of monorail and other systems.

Of the six transportation alignments, bidders were permitted to submit prices on all or any of these with no limitation on type of system. Due to the broad range of systems proposed, concession propositions and potential salvage values, the bid prices shown on the tender abstract annexed hereto do not necessarily reflect a true comparison of the various bidders.

These bids are under intensive assessment and scrutiny at this time and have to date involved discussions with some of the bidders.

[*Text*]

TECHNICAL AND VOCATIONAL TRAINING ASSISTANCE TO NOVA SCOTIA

Question No. 1,173—**Mr. Armstrong:**

1. Under what statutes is financial assistance given to the province of Nova Scotia for the purpose of technical and vocational training?

2. What amounts were provided under each of these statutes in the financial year ended March 31, 1964?

3. What technical or vocational school buildings in the province have been constructed or acquired for use with these funds?

4. What subjects are taught, and in the case of each subject, at which schools is training in that subject available?

Mr. MacEachen: 1. The Technical and Vocational Training Assistance Act, December 20, 1960 and amended December 5, 1963.

2. $4,728,047.21.

3. Cape Breton county vocational high school, Sydney, new building; Cumberland county vocational high school, Springhill, new building; Halifax county vocational high school, Halifax, addition to existing school; Kings county vocational high school, Kentville, new building; Pictou county vocational high school, New Glasgow, new building; Yarmouth county vocational high school, Yarmouth, new building; Interprovincial trades school for the deaf, Amherst, new building; Nova Scotia agricultural college, Truro, operational costs; Nova Scotia college of art, Halifax, operational costs; Nova Scotia fisherman's training centre, Pictou, equipment and operational costs; Nova Scotia institute of technology, Halifax, new building; Nova Scotia land survey institute, Lawrencetown, equipment and operational costs; Nova Scotia marine engineering school, Halifax, equipment and operational costs; Nova Scotia marine navigation school, Halifax, equipment and operational costs; Nova Scotia trades schools, North Sydney and Stellarton, equipment and operational costs.

4. Courses offered as of March, 1964.

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Agriculture, N.S. agricultural school. Aircraft technician, N.S. institute of technology. Auto body, N.S. institute of technology. Trade schools, North Sydney and Stellarton. Auto mechanics, Cape Breton co. vocational high school. Cumberland co. vocational high school. Halifax co. vocational high school. Kings co. vocational high school. Yarmouth co. vocational high school. Pictou co. vocational high school. Nova Scotia institute of technology. Trade school, North Sydney.

Barbering, Nova Scotia institute of technology. Basic training for skill development, Nova Scotia institute of technology, trade school, North Sydney. Beauty culture: hairdressing, Halifax co. vocational high school. Boiler maker, Nova Scotia institute of technology. Bricklaying, Halifax co. vocational high school. Nova Scotia institute of technology.

Carpentry, Halifax co. vocational high school. Trade school, North Sydney. Commercial, Halifax co. vocational high school. Kings co. vocational high school. Yarmouth co. vocational high school. Pictou co. vocational high school. Nova Scotia institute of technology. Commercial art, Nova Scotia college of art. Cooking, Halifax co. vocational high school. Nova Scotia institute of technology.

Diesel mechanics, Cape Breton co. vocational high school. Cumberland co. vocational high school. Kings co. vocational high school. Pictou co. vocational high school. Nova Scotia institute of technology. Trade school, North Sydney. Draughting, Cape Breton co. vocational high school. Cumberland co. vocational high school. Halifax co. vocational high school. Kings co. vocational high school. Pictou co. vocational high school. Nova Scotia institute of technology.

Electrical machinery, Cape Breton co. vocational high school. Electrical technology, Nova Scotia institute of technology. Electricity, Cape Breton co. vocational high school. Cumberland co. vocational high school. Halifax co. vocational high school. Kings co. vocational high school. Pictou co. vocational high school. Yarmouth co. vocational high school. Nova Scotia institute of technology. Electronics, Cape Breton co. vocational high school. Cumberland co. vocational high school. Halifax co. vocational high school. Kings co. vocational high school. Pictou co. vocational high school. Yarmouth co. vocational high school. Nova Scotia institute of technology. Engine fitter, Nova Scotia institute of technology.

Fisheries training, Fishermen's training centre. Fitter, mechanic, Nova Scotia institute of technology. Fitter, ship, Nova Scotia institute of technology.

[Mr. MacEachen.]

Gas power tools, Trade school, North Sydney.

Heating and ventilation, Halifax co. vocational high school. Heavy duty machinery repair, Nova Scotia institute of technology.

Joiner, Nova Scotia institute of technology.

Land surveying, Land survey institute. Linemen, Nova Scotia institute of technology.

Machine shop, Cape Breton co. vocational high school. Cumberland co. vocational high school. Halifax co. vocational high school Kings co. vocational high school. Yarmouth co. vocational high school. Pictou co. vocational high school. Nova Scotia institute of technology. Marine electricity, Nova Scotia institute of technology. Marine engineering Marine engineering school. Marine navigation, Marine navigation school. Mechanical technology, Nova Scotia institute of technology.

Oil burner repair, Trade school, North Sydney.

Painting and decorating, Halifax co. vocational high school. Pattern maker, Nova Scotia institute of technology. Photography, Halifax co. vocational high school. Pipe fitter, Nova Scotia institute of technology. Plumbing and pipefitting, Cape Breton co. vocational high school. Cumberland co. vocational high school. Kings co. vocational high school. Pictou co. vocational high school. Halifax co. vocational high school. Nova Scotia institute of technology. Trade school, North Sydney.

Radio and T.V., Halifax co. vocational high school. Nova Scotia institute of technology. Refrigeration, Halifax co. vocational high school. Nova Scotia institute of technology. Retail merchandising, Yarmouth co. vocational high school.

Sheet metal, Halifax co. vocational high school. Nova Scotia institute of technology. Ship plater, Nova Scotia institute of technology. Shipwright, Nova Scotia institute of technology. Steamfitter, Nova Scotia institute of technology.

Tile setting, Trade school, North Sydney.

Watch repair, Nova Scotia institute of technology. Welding, Kings co. vocational high school. Cumberland co. vocational high school. Pictou co. vocational high school. Halifax co. vocational high school. Nova Scotia institute of technology. Trade schools, North Sydney and Stellarton. Woodworking, Pictou co. vocational high school. Kings co. vocational high school. Cumberland co. vocational high school. Halifax co. vocational high school. Yarmouth co. vocational high school.

ELIMINATION OF INDIAN RESERVES

Question No. 1,179—**Mr. Latulippe:**

1. Is the Department of Citizenship and Immigration considering taking steps to gradually eliminate the Indian reserves?

2. Did the Indian affairs commission submit representations to the government on this matter and, if so, what was the general nature of those representations?

3. When Reverend Father J. Mulvihill, O.M.I., proposed the gradual elimination of Indian reserves at a meeting during a forum on the training of leaders of the Canadian students' association of the United Nations at Ottawa, was he talking on behalf of the Indian affairs commission, of which he is a member, or was he expressing his personal views?

Mr. Badanai: 1. No.

2. No.

3. Rev. Father J. Mulvihill, O.M.I., is associate director of the Indian-Eskimo welfare commission operated under the auspices of the Oblate Fathers. The department has no information as to whether Father Mulvihill was speaking on behalf of the commission at the meeting referred to.

UNEMPLOYMENT INSURANCE CLAIMS

Question No. 1,183—**Mr. Laprise:**

How many initial claims have been made by claimants to the unemployment insurance commission in each year since 1957?

Mr. MacEachen: Initial claims filed by fiscal year ending March 31: 1957, 1,256,051; 1958, 1,682,948; 1959, 1,792,864; 1960, 1,742,508; 1961, 1,814,326; 1962, 1,613,308; 1963, 1,507,802; 1964, 1,385,142.

POST OFFICE DEPARTMENT EMPLOYEES, COMPTON-FRONTENAC CONSTITUENCY, QUE.

Question No. 1,186—**Mr. Latulippe:**

1. What are the names of all postmasters or of all persons under contract for the delivery of rural mail, the locality of service and the salary or the amount of the contract in each case, in the constituency of Compton-Frontenac?

2. How many persons empoyed by the Post Office Department have been employed by the department since June 18, 1962, and (a) what is the name of each and where does he work (b) what vacant position or what new position was each person hired to fill?

3. How many persons in the constituency of Compton-Frontenac were dismissed by the Post Office Department since June 18, 1962 and (a) what is the name of each (b) what were the reasons for the dismissal in each case?

4. How many changes in premises or administrative changes are foreseen by the Post Office Department in Compton-Frontenac during the coming year, following investigations already made or recommendations already submitted and what places or what persons are involved in each case and what are the reasons given?

[*Translation*]

Answer: As stated on December 4, 1963, in answer to question No. 1,677, this information is not readily available. Its compilation would necessitate a review of a great number of records and require undue labour and expense.

[*Text*]

MINES AND TECHNICAL SURVEYS EMPLOYEES, COMPTON-FRONTENAC CONSTITUENCY, QUE.

Question No. 1,190—**Mr. Latulippe:**

Does the Department of Mines and Technical Surveys have any employees in Compton-Frontenac and, if so (a) what is the name of each (b) where does each work (c) how long has each been working for the department, and (d) what salary is paid in each case?

Mr. Benidickson: The Department of Mines and Technical Surveys has no continuing employees in the Compton-Frontenac area.

PURCHASE OF "PALISADES" PROPERTY, JASPER, ALTA.

Question No. 1,197—**Mr. Horner (Jasper-Edson):**

1. When did the government buy the property known as the Palisades in Jasper?

2. How much was paid for it?

3. Has the government received any representations with a view to making use of this property as a youth training centre?

4. What is the government's reactions to these representations?

Mr. Laing: 1. April 25, 1962.

2. $277,850.

3. Yes.

4. It was decided to use the buildings for other purposes.

NATIONAL PARK, FORT LATOUR, SAINT JOHN, N.B.

Question No. 1,199—**Mr. Bell:**

With respect to the proposed national historic park at Fort LaTour, Portland point, Saint John, N.B. (a) what are the results of the excavations there of last summer (b) have any approaches been made in France regarding the early French records and, if so, with what results (c) what is the present government thinking as to participation?

Mr. Laing: (a) The archaeological excavation showed that not enough evidence of Fort LaTour survives to make an authentic reconstruction possible. Although various artifacts were found, only scattered and disconnected fragments of wall remain from the fort itself. (b) A search for documentary material relating to Fort LaTour was made in France last year and during the past winter, without any success. (c) The government is prepared to consider financial participation on an equal basis with the government of New Brunswick and the municipality in the acquisition of the property containing the site of Fort LaTour, if this is the wish of those two bodies, and a suggestion to this effect has been forwarded to the provincial government and the county of Saint John.

ABSTRACT ART IN AIR TERMINALS

Question No. 1,201—**Mr. Mather:**

1. What is the cost, in dollars, of the abstract art forms in the new air terminal buildings at Winnipeg, Edmonton and Toronto?

2. Is it the intention to include this type of art display in the Vancouver international airport?

Mr. Pickersgill: 1. The cost, in dollars, of the fine art works at the new air terminal buildings at Winnipeg, Edmonton and Toronto was $270,000 which was one half of 1 per cent of the cost of the terminal projects.

2. A similar budget figure of one half of 1 per cent of the cost of the terminal project has been provided for fine art in the new Vancouver terminal building.

INCREASED IMPORTS FROM U.S.

Question No. 1,202—**Mr. Mather:**

What is the cause of the marked increase of Canadian imports from the United States in the first quarter of 1964?

Answer: The latest statistics available show that imports from the United States increased by 17.5 per cent from the first quarter of 1963 to the first quarter of 1964 whereas imports from all sources increased by 17.6 per cent. This rise in imports reflects sharply increased demands in Canada associated with the strong pace of expansion under way during the past year but is no doubt also attributable in part to the removal, effective the beginning of April 1963, of the remaining import surcharges which had been in effect since the exchange crisis of the preceding year.

WEIGHT OF PRODUCTS IN WAXED CONTAINERS

Question No. 1,204—**Mr. Orlikow:**

Have the weights and measures branch of the Department of Trade and Commerce and the food and drug directorate of the Department of National Health and Welfare been able to decide between themselves which department is responsible for insuring that the contents of products in waxed containers are as indicated on the containers?

Miss LaMarsh: No problem has existed in this area for many years. The correct declaration of the net contents of prepackaged foods, including food products in waxed containers, falls within the jurisdiction of the Food and Drugs Act and regulations which are administered by the food and drug directorate of the Department of National Health and Welfare.

QUESTIONS PASSED AS ORDERS FOR RETURNS

REVENUE FROM LANDING FEES AND AVIATION FUEL CONCESSION, TRANSPORT DEPARTMENT

Question No. 1,046—**Mr. Nielsen:**

1. What was the total revenue collected by the Department of Transport in landing fees assessed to (a) commercial aircraft (b) private aircraft, for the six months period May 1, 1963 to October 31, 1963 at each airport in Canada controlled by the Department of Transport?

2. What was the total revenue collected from the aviation fuel concession fee of one cent per gallon from (a) commercial aircraft (b) private aircraft, for the six months period May 1, 1963 to October 31, 1963 at each airport in Canada controlled by the Department of Transport?

Return tabled.

CANADIAN GOVERNMENT AIRCRAFT

Question No. 1,124—**Mr. Latulippe:**

1. How many aircraft does the Canadian government own?
2. How many different types of aircraft does Canada own?
3. What is the average cost of each of these types?
4. What was the average cost of maintaining each type in 1961, 1962, and 1963?
5. What personnel expenditures on the average were required for each of these types for these three years?
6. What is the average annual operating cost for each of these types?
7. What were the losses for each type during the last three years?

Return tabled.

*TOLLS CHARGED IN NATIONAL PARKS

Question No. 1,200—**Mr. Woolliams:**

1. When does the Minister of Northern Affairs and National Resources intend to amend the parks regulations and laws so that tourists infringing parking regulations in the Banff national park do not have to appear in court as if they had committed a quasi and/or criminal offence?
2. Is the government intending to remove the toll charged people who are using the trans-Canada highway and must pass through the parks en route to their destination, although they do not desire to remain in the parks?
3. What rates are charged to people using passenger cars or transport trucks when they must pass through the parks?
4. Under what authority is a charge made to a person using the trans-Canada highway when he does not intend to remain in the parks or visit the same?

Return tabled.

BUSINESS OF THE HOUSE

REQUEST FOR ANSWER TO QUESTION ON ORDER PAPER

On the orders of the day:

Hon. Théogène Ricard (St. Hyacinthe-Bagot): I should like to ask the Minister of Labour when he will be in a position to answer starred question No. 1,192 which stands on the order paper in my name.

Hon. A. J. MacEachen (Minister of Labour): I will undertake to answer this question the next time questions are called.

PRIVILEGE

MR. CÔTÉ, CHICOUTIMI—SIMULTANEOUS INTERPRETATION FACILITIES—ENGLISH ANSWERS TO FRENCH QUESTIONS

On the orders of the day:

[*Translation*]

Mr. Maurice Côté (Chicoutimi): Mr. Speaker, on a question of privilege. Last week,

in the standing committee on public accounts, the technical aspect of the interpretation system went wrong. And it was not the first time that this has happened in a committee. Therefore, I would urge the government to have the engineering system corrected. We have excellent interpreters, who are perhaps underpaid; but the system should be rectified if we are to benefit from a perfect interpretation. Moreover, I received lately, from two departments, answers in English to questions which had been put in French on the order paper, whereas I had the right to get them in French, and I would insist that every minister who gives me an answer from now on, do so in French.

[*Text*]

Mr. Speaker: Order, please. I have listened to the remarks of the hon. member for Chicoutimi with great interest. I am sure all members will appreciate that one of the reasons for bringing in a reorganization plan for the House of Commons was to step up the facilities with respect to interpretation, *Hansard* reporting and various other departments. We are making good progress here. We hope to establish a staff board within a few days and all these questions will be under constant review, particularly by the newly established staff board.

EXTERNAL AFFAIRS

SOUTHEAST ASIA—POSSIBLE ESTABLISHMENT OF U.N. PEACE KEEPING FORCE

On the orders of the day:

Right Hon. J. G. Diefenbaker (Leader of the Opposition): I should like to direct a question to the Secretary of State for External Affairs and ask him whether the appointment by the United Nations of a three nation committee to go to Cambodia indicates the probability that a peace keeping force will be established by the United Nations in Cambodia, South Viet Nam and southeast Asia generally.

Hon. Paul Martin (Secretary of State for External Affairs): It is not possible at this time to say what will be the consequence of the investigation to be made by the three nation committee. After the committee has made its report it may be possible to give consideration to what should follow.

Mr. Diefenbaker: Is any consideration being given, or has Canada been communicated with in any way, concerning the reaction on the part of Canada to the establishment of such a peace keeping force and a contribution by this country?

Mr. Martin (Essex East): No suggestion has been made as yet to Canada or, as far as I am aware, to any other country with regard to the establishment of a peace keeping force.

DOMINION-PROVINCIAL RELATIONS

CO-OPERATIVE FEDERALISM—INFLUENCE OF WORLD FEDERALIST ORGANIZATION

On the orders of the day:

[*Translation*]

Mr. Gilles Grégoire (Lapointe): Mr. Speaker, I am addressing my question to the Acting Prime Minister, as well as to the Secretary of State for External Affairs. As three members of this government, that is, the Minister of Agriculture (Mr. Hays), the Minister of Northern Affairs and National Resources (Mr. Laing) and the Minister without Portfolio (Mr. Dupuis) are attending the association for world federation, does the policy of that organization become, by that very fact, a policy or a principle supported by this government, that is to say the setting up of a future world government at the expense of national sovereignty?

[*Text*]

Mr. Speaker: Would the hon. member put this question on the order paper. It is a question requiring quite a lengthy answer.

CO-OPERATIVE FEDERALISM—VIEWS EXPRESSED BY ST. JEAN BAPTISTE SOCIETY

On the orders of the day:

[*Translation*]

Mr. Auguste Choquette (Lotbinière): Mr. Speaker, may I direct a question to the Secretary of State?

In view of the fact that the St. Jean Baptiste society have inveighed against co-operative federalism which they claim is national suicide; in view also of the uncalled for reaction of the hon. members opposite, I should like to ask the minister whether he has any comments on the matter or whether it is the government's intention to do something about those attacks against the policy of co-operative federalism?

[*Text*]

Mr. Speaker: Would the hon. member put this question on the order paper.

[*Translation*]

Mr. Choquette: Mr. Speaker, I submit that this is an extremely important question, since it involves the present policy of the government.

[*Text*]

Mr. Speaker: Order. Would the hon. member kindly take his seat. This question should be put on the order paper.

[*Translation*]

Mr. Choquette: Mr. Speaker, I intend to transfer this question for discussion at ten o'clock tonight.

Mr. Gilles Grégoire (Lapointe): Mr. Speaker, I have a supplementary question to ask the Secretary of State in accordance with standing orders.

Is he aware of the suggestions made by the St. Jean Baptiste societies of Quebec concerning co-operative federalism and does he intend to study the proposed suggestions made by these societies on this subject?

Mr. Pigeon: Yes, or no, it is easy.

[*Text*]

Mr. Speaker: It strikes me that if the first question asked, which is certainly delicate to say the least, is to be put on the order paper, the second question should also follow suit.

[*Translation*]

Mr. L. J. Pigeon (Joliette-L'Assomption-Montcalm): Mr. Speaker, I should like to direct a question to the Secretary of State.

As co-operative federalism would be tantamount to national suicide, is it the intention of the minister to bring forward a more logical formula?

Hon. Maurice Lamontagne (Secretary of State): Mr. Speaker, this question evidently does not come within my jurisdiction.

Mr. Pigeon: It is your proposition.

Mr. Lamontagne: Nevertheless, I should like to remind the hon. member that I am favourable to that proposition, just like Mr. Roblin.

Mr. Pigeon: Mr. Speaker, I have a supplementary question. What is the minister's opinion of the statement made by St. Jean Baptiste societies which disapprove of this policy?

[*Text*]

TRADE

TARIFF CONCESSIONS TO AUTOMOBILE FACTORIES LOCATING IN QUEBEC

On the orders of the day:

Hon. Léon Balcer (Three Rivers): Mr. Speaker, I would like to ask a question of the Minister of Trade and Commerce.

[*Translation*]

Could the minister tell us whether a final decision has been reached regarding tariff cuts in the case of the Renault and Peugeot companies, so that they might move into the province of Quebec?

[Mr. Speaker.]

[*Text*]

Hon. Mitchell Sharp (Minister of Trade and Commerce): Mr. Speaker, I shall have to take this question as notice; I am not aware of these negotiations.

COTTON—DUMPING DUTY ON IMPORTS FROM U.S.

On the orders of the day:

Hon. G. J. McIlraith (Acting Minister of National Revenue): Mr. Speaker, on Friday last, as recorded at page 3980 of *Hansard*, the hon. member for Grey-Bruce asked me a question which reads as follows:

> In view of the fact that the United States congress has taken action to provide a direct subsidy to the manufacturer of 6½ cents a pound on cotton, which means that the American manufacturer will receive the full raw cotton subsidy paid to foreign buyers, does the Canadian government intend to give consideration to applying dumping duty?

Mr. Speaker, as the hon. member will know, section 6A of the Customs Tariff provides that where, in the opinion of the governor in council, subsidied goods of a class or kind made or produced in Canada have been or may be directly or indirectly imported into Canada, such goods can be subjected to an additional duty on their importation equal to the amount of the subsidy. Whether imported goods are subsidized and the amount of the subsidy are questions of fact and the application of the section would depend on the circumstances of the individual case.

EXTERNAL AFFAIRS

CYPRUS—REQUEST FOR STATEMENT ON PRESENT POSITION

On the orders of the day:

Mr. R. N. Thompson (Red Deer): Mr. Speaker, my question is to the Secretary of State for External Affairs. In view of the very critical situation centreing on Cyprus, has the minister some word for the house with regard to more recent developments than those recorded in today's press?

Hon. Paul Martin (Secretary of State for External Affairs): Mr. Speaker, the situation over the week end was critical. However, I am happy to say that representations that were made to countries involved seem to have been observed, and the situation now seems to have eased considerably.

Mr. H. W. Herridge (Kootenay West): A supplementary question, Mr. Speaker. In view of the recent statement by Right Hon. Duncan Sandys that the United Kingdom may withdraw from Cyprus if no progress is made, has the minister received any communication from the government of Great Britain in this respect, or given consideration to this aspect of the matter?

Mr. Martin (Essex East): Mr. Speaker, I am not aware that the secretary of state for commonwealth affairs made that statement. What he did say, as I understood it, was that Her Majesty's government would give consideration to continued participation in the United Nations operation, depending upon the will and the attitude of the two communities toward the presence of British troops in the United Nations force. But there was no indication that they would not continue to participate in that force, given the satisfactory conditions outlined by the secretary of state for commonwealth affairs.

CONGO—CANADIANS REMAINING IN U.N. FORCE

On the orders of the day:

Hon. Paul Hellyer (Minister of National Defence): Mr. Speaker, on Friday last the hon. member for Calgary North asked how many Canadian army and air force personnel were still in the Congo and when were they to be returned to Canada.

As the hon. member knows, under the resolution adopted by the general assembly on October 18, 1963, the United Nations force in the Congo will be terminated at the end of this month. Repatriation of Canadian personnel has already started, with some 54 returning to Canada on May 27. At the present time there is a total of 179 Canadian servicemen in the Congo. Approximately 62 will be returning on June 17, 60 on June 27, and the remainder on the 30th of this month.

I am sure it would be of interest to all hon. members to know that since the United Nations force in the Congo was established in July, 1960, over 1,900 officers and men of the Canadian army and the Royal Canadian Air Force have served with distinction in that force.

SOCIAL ASSISTANCE

SASKATCHEWAN—PROPOSED REQUIREMENT THAT RECIPIENTS WORK FOR AID GIVEN

On the orders of the day:

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, I have a question for the Minister of National Health and Welfare. In her absence perhaps an appropriate minister will consider it.

Is the federal government aware of the declaration made by a minister of the Saskatchewan government that it intends to require recipients of social aid to work for relief? Have any proposals been made to the federal government regarding this matter, and what is the attitude of the federal government toward such a proposal?

Mr. Speaker: This is a question for the order paper.

Mr. Knowles: Dix heures.

PUBLIC SERVICE

NOMINATION OF LABOUR REPRESENTATIVE ON UNEMPLOYMENT INSURANCE COMMISSION

On the orders of the day:

Hon. Michael Starr (Ontario): Mr. Speaker, I wish to address a question to the Minister of Labour and ask him whether the name of a Mr. Reamer has been submitted by the Canadian Labour Congress to the government for appointment to the unemployment insurance commission.

Hon. A. J. MacEachen (Minister of Labour): No, Mr. Speaker, there has been no name submitted as yet.

Mr. Starr: A supplementary question, Mr. Speaker. Has the minister received any representation from affiliates of the Canadian Labour Congress supporting the reappointment of Mr. MacArthur to that commission?

Mr. MacEachen: Yes, Mr. Speaker, I believe there was at least one communication which arrived some time ago, but I would be glad to check and make sure of the extent of the representations received.

NATIONAL DEFENCE—BENEFITS TO CIVILIAN EMPLOYEES COMPULSORILY RETIRED

On the orders of the day:

Hon. Lucien Cardin (Associate Minister of National Defence): Mr. Speaker, on Friday last the hon. member for Ontario asked a question of the Prime Minister with regard to special consideration being given to civilian employees of the Department of National Defence should their services be no longer required. In the absence of the Prime Minister perhaps I might be allowed to answer this question.

Serious consideration was given by the government to this matter, and I can inform the hon. member that it was decided that there should be no change in the benefits for civilian employees other than those set out by the Prime Minister when he communicated with the president of the civil service federation of Canada at the end of last month.

Hon. Michael Starr (Ontario): Mr. Speaker, this is a very serious situation so far as the civilian employees are concerned, and as a supplementary question I would like to ask what is the actual reason they are treated differently than those in the armed forces?

Mr. Cardin: Mr. Speaker, I would be in a position now to give the hon. member the reasons that motivated the decision of the government in this matter, but it is a very

lengthy answer. I would hope the hon. member would put that question on the order paper.

LABOUR RELATIONS

GREAT LAKES—NATIONALITY OF S.I.U. NEGOTIATORS

On the orders of the day:

Hon. A. J. MacEachen (Minister of Labour): Mr. Speaker, I should like to answer a question asked the other day by the hon. member for Ontario with respect to the nationality of the bargaining committee for the seafarers international union. I have been provided with a list of the members of the bargaining committee, and all those on the committee are listed as Canadians with the exception of two persons. One is Mr. Patrick Flaherty, born in Galway, Republic of Ireland, and the other is Mr. James Madison, born in Copenhagen.

Mr. Starr: A supplementary question. Is Mr. Paul Hall not sitting in on these negotiations?

Mr. MacEachen: This is the information I received from the trustees. I did see in the newspaper, as likely the hon. member did, that Mr. Paul Hall did attend the meeting but I am not able to confirm that. As a matter of fact I have received information that he did not attend, although that other report was in the press.

HAL BANKS—RAISING OF FUNDS FOR LEGAL DEFENCE

On the orders of the day:

Mr. David Orlikow (Winnipeg North): Mr. Speaker, may I direct a question to the Minister of Labour. Is the minister aware that members of the negotiating committee of the S.I.U. have undertaken to raise money for the legal defence of Hal Banks, and does the minister think this is a proper function for this committee?

Mr. Speaker: Order, please. The question is out of order.

[*Later:*]

Mr. Orlikow: Mr. Speaker, I asked the Minister of Labour a question about the S.I.U. which you said was out of order. I wonder if I could be told how my question was out of order while the question about the S.I.U., which the hon. member for Ontario asked several days ago, was answered today.

Mr. Speaker: I will be glad to take the request of the hon. member into consideration.

[Mr. Cardin.]

CANADIAN FLAG

INQUIRY AS TO INTRODUCTION OF RESOLUTION

On the orders of the day:

Right Hon. J. G. Diefenbaker (Leader of the Opposition): Mr. Speaker, I should also like to ask a delicate question. Would the Minister of Justice, the house leader, tell the house what are the present plans as to the day when the two flag resolution will be introduced? We should like to know in advance.

Hon. Guy Favreau (Minister of Justice): Mr. Speaker, there are no plans for introducing a debate on any two flag resolution.

Mr. Diefenbaker: Mr. Speaker, in view of the fact that the Minister of Justice is apparently unaware of what the rest of the government is doing, may I ask him this. When will the resolution which provides for a flag bearing three maple leaves, as well as the union jack, be introduced?

Mr. Favreau: Mr. Speaker, with regard to the order paper I might say it is my belief, subject to a definite announcement tomorrow, that the debate on—

Mr. McIlraith: It is order No. 44.

Some hon. Members: Oh, oh.

Mr. MacEwan: What a house leader.

Mr. Favreau: I said subject to confirmation tomorrow.

Mr. Starr: You mean subject to Paul Martin.

Mr. Favreau: The resolution which is on the order paper concerning a distinctive flag for Canada will commence to be dealt with on Thursday.

[*Translation*]

Hon. Paul Martineau (Pontiac-Témiscamingue): Mr. Speaker, in view of the minister's answer, should we conclude that the part of the resolution concerning the union jack will be abandoned?

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

Is it true that it is the intention of the government to redraft both resolutions that are now under study so that the first resolution would include the maple leaf flag and the national anthem "O Canada" and the second, the union jack and "God save the Queen"?

Mr. Favreau: It is obvious, Mr. Speaker, that these questions may be discussed at a proper time, that is when the resolution is introduced in the house.

[*Text*]

Mr. Diefenbaker: Mr. Speaker, I would not want any question to result in further collaboration among the Acting Prime Minister, the Minister of Justice and the Minister of Trade and Commerce, but does the minister say that the government does not know yet what course it is going to follow? Is that the reason for the uncertainty?

Mr. Favreau: Mr. Speaker, I am glad to advise the right hon. gentleman that there will always be the utmost collaboration among all ministers. The matter of the exact time of the introduction, subject to what I have just said, will be finally announced tomorrow.

Mr. Diefenbaker: Mr. Speaker, surely the house is entitled to know whether the government is going to divide this resolution in order to secure greater support.

Hon. Paul Martin (Acting Prime Minister): Mr. Speaker, as the Minister of Justice has just pointed out and as the right hon. gentleman, who a few days ago said he was a great House of Commons man, should know, the rules of the house require that questions of this sort shall be debated at the appropriate time. In this case the appropriate time is when the resolution is before the house.

Mr. Diefenbaker: Mr. Speaker, I would point out to the hon. gentleman that these gratuitous observations do not represent the attitude he took when he was over here and when he argued the very reverse.

Mr. Erik Nielsen (Yukon): A supplementary question, Mr. Speaker, to the Minister of Justice or the Secretary of State for External Affairs or the Minister of Trade and Commerce, but since the Minister of Justice seems to need rescuing I will put it to the Secretary of State for External Affairs. Can he tell us whether the design tabled at the time the resolution was printed in *Votes and Proceedings* is the design that is to be adopted by that resolution?

Mr. Martin (Essex East): Mr. Speaker, this question is clearly out of order for the reason I gave a moment ago. When this matter is before the house my hon. friend will get the responses to which he will then be entitled. Until such time as that resolution is before the house, these questions are intended not to elicit information but to confuse, and they are contrary to the rules of the house.

Some hon. Members: Oh, oh.

Mr. Speaker: Order. Because of the general interest in this subject, which is putting it mildly, the Chair has been a little lenient today. However, in discussing a certain question asked by a member to my left the other day I ruled the question out of order on at least three grounds. I could have given eight but the three grounds were: (1) The question contains observations which might lead to a debate; (2) it refers to a debate or to answers to questions during the current session; (3) it anticipates an order of the day. I would respectfully suggest that we have had quite a few questions concerning the flag issue this afternoon, and we should leave it at that.

Mr. Diefenbaker: Always with deference, Mr. Speaker, I would point out this fact which apparently is not known to Your Honour. On Saturday the Prime Minister's office put out a new model flag, and surely we have the right to learn in parliament what is leaked from his office. We do not want to see controlled news items in this country, and that is the reason we ask this question. Apparently parliament is not to have certain information that the office of the Prime Minister makes available to the press.

Mr. Martin (Essex East): Mr. Speaker, since the right hon. gentleman has not asked a question but made an observation, may I simply say that there is no basis whatsoever, as one might expect in this particular context, for the statement made by the right hon. gentleman.

Mr. Diefenbaker: Mr. Speaker, this indicates that the Secretary of State for External Affairs does not know the kind of stuff that is being sent out by the Prime Minister's office. In regard to the statement just made I raise a question of privilege. This afternoon's paper contains an article headed "Maple Leaf Flag 'Refined' ".

Mr. Martin (Essex East): On a point of order, Mr. Speaker—

Mr. Speaker: Order. I must at least listen to what the question of privilege is before I can decide whether or not it is in order.

Mr. Martin (Essex East): With great respect, Mr. Speaker, there was no question of privilege raised by the right hon. gentleman, who knows that it is contrary to the rules of the house to frame a question as he was seeking to frame it, by means of a commentary. If the right hon. gentleman will frame his question in the appropriate manner based upon what is in this afternoon's paper, it can be considered. But I suggest to you, sir, that in the form in which the right hon. gentleman has proceeded this afternoon, this question is out of order.

Mr. Diefenbaker: Mr. Speaker, I was proceeding with my question of privilege. While I know that the hon. gentleman is possessed of prevision and prescience to a high degree, he does not know the question of privilege I am going to raise. I now proceed following the interruption. This article is by the Canadian Press and it is also sanctified by the C.B.C.:

> Artists have "refined" the government's proposed maple leaf flag, a spokesman in the Prime Minister's office said Saturday. "The basic design has not been altered," he stressed. These are the changes:
>
> 1. The vertical blue bar at each edge of the flag has been widened slightly. The colour has also been deepened to "bring it closer to a royal blue."
> 2. The size of the three red maple leaves has been reduced slightly, and their colour also has been deepened. They will be close to scarlet.
> 3. The stems of the leaves have been straightened and made slightly thinner, removing the noticeable nodes that appeared in the original design.
>
> Some M.P.'s had called these nodes "a plumber's lament."

When I asked the question I was doing so on the basis of the most dependable information I could get. I now ask the hon. gentleman, is the information that was given by the Prime Minister's office on Saturday correct? Is parliament not entitled to know what has been leaked to the press, if you call it a leak?

Mr. Martin (Essex East): Mr. Speaker, the hon. gentleman is seeking, of course, by every device at his disposal to get me to violate the rules of the house.

Some hon. Members: Oh, oh.

Some hon. Members: Hear, hear.

Mr. Martin (Essex East): I should say to the right hon. gentleman, of course, that I have not seen the story in question. But it is clear from what the right hon. gentleman has read that there is no change in design, and when my right hon. friend is confronted with the resolution he will not only find that is the fact but he will also find that not only in this house but in this country there is nothing but approval for the stand taken by the Prime Minister.

Some hon. Members: Oh, oh.

Some hon. Members: Hear, hear.

Mr. Speaker: Order. I suggest that we have had enough questions on this particular subject, and that we move on to something else.

Mr. Nielsen: May I crave your indulgence? For the benefit of members of the house, can the Acting Prime Minister tell us whether the paper design that was produced in conjunction with the resolution is part of that resolution, so we will know what we are dealing with rather than being confronted with all these alterations?

[*Translation*]

Mr. Maurice Côté (Chicoutimi): Mr. Speaker, may I put a question to the Acting Prime Minister?

Is the minister aware that the future national flag, the one with three maple leaves, was raised and unfurled in Chicoutimi, before nearly 10,000 people, and also raised on city hall square, to the strains of O Canada, and that it was warmly acclaimed by the people?

[*Text*]

PENITENTIARIES

PROPOSED LOCATION OF NEW WOMEN'S PRISON

On the order of the day:

Mr. Frank Howard (Skeena): I was going to direct a question to the Acting Prime Minister, but it is obvious I will not get a straight answer, so I will try my luck with the Minister of Justice.

Mr. Speaker: I understand that the last remark is meant to be facetious.

Mr. Howard: It was meant to be serious, Mr. Speaker. I wonder if I could ask the Minister of Justice whether it is a fact that the government has shelved its proposal to construct a new prison for women at Cornwall, and is going ahead with replacement of the present structure at its present site at Kingston.

Hon. Guy Favreau (Minister of Justice): The answer which I have already given on that point stands. I am pleased to advise the house, including of course my hon. friend, that I am going to meet the groups concerned on Saturday, July 11, to discuss the matter.

IMMIGRATION

JOHN THOMADAKIS—STATEMENT ON DETENTION AWAITING DEPORTATION

On the orders of the day:

Mr. David Orlikow (Winnipeg North): I should like to ask the Minister of Citizenship and Immigration if he can make a statement to the house on the case of John Thomadakis who, in a habeas corpus application, claimed he had been detained in the Don jail for 38 days without trial, then tried and sentenced to five months in jail with deportation to follow. He also claimed he was tried for an unknown offence and without a lawyer to defend him, although he had asked for one.

[*Translation*]

Hon. René Tremblay (Minister of Citizenship and Immigration): Here are the facts concerning the case of John Thomadakis.

Thomadakis is a citizen of Greece who was engaged as a shipmate in the United States, on January 1962, and who jumped his ship in Montreal on June 6, 1962.

He succeeded in escaping the searching efforts of immigration officers until March 3, 1964, when he was arrested in Toronto.

An investigation was held the next day under the Immigration Act. Contrary to some reports, Thomadakis was made aware of the purpose of the investigation and he admitted that he understood why the investigation was held. A Greek female interpreter was present and Thomadakis said he was certain she had the necessary qualifications to interpret his statements. He was informed of his right to be represented by a lawyer of his choice, and he stated under oath that he did not want to be represented.

The facts brought out at the investigation established that Thomadakis had entered Canada by avoiding the examination and that having come to Canada as crew member, he stayed here after the ship on which he had come went away. The special investigator then ordered his deportation, as required by the act.

Although Thomadakis stated that he did not wish to exercise his right of appeal, a stenographic copy of the evidence was sent to the headquarters of the immigration branch. The case was studied again in Ottawa and the deportation order was confirmed. Thomadakis was informed by letter, under date of March 18, that he would be deported to Greece as soon as it would be feasible.

Since Thomadakis had nothing to prove that he was a Greek citizen, steps were taken to get the document needed for the trip and arrangements were made for the trip.

Before those arrangements could be completed, however, Thomadakis had an interview with the R.C.M.P. They informed him that he would be charged with illegal entry into Canada and he received formal notification from them. Once again a competent interpreter was present and Thomadakis admitted that the statement read to him in Greek was accurate.

Thomadakis was served a summons on April 9, 1964, and on April 10 he was charged by the police with illegal entry into Canada. He was found guilty in magistrate's court in Toronto and sentenced to five months in jail.

Hon. members will notice that in that case appropriate legal action was taken by the immigration authorities within 24 hours of Thomadakis' arrest, that a competent interpreter was provided, that his right to be represented by counsel was clearly explained to him and that he was given the opportunity to appeal the decision of the special investigator. In my opinion, no justifiable criticism can be made concerning the handling of the case, and there have been no undue delays with respect to arrangements for deportation.

However, by entering Canada illegally, Thomadakis was not only liable to deportation; he had committed a felony. He was liable to prosecution in that respect as for any offence against the law of Canada. At present he is serving the sentence imposed by the court and will be deported upon his release from jail.

I could add that a certain number of prisoners in the Don jail have been convicted by a competent court for crimes they have committed and that they will be deported from Canada when they have served their sentence.

[*Text*]

Mr. Orlikow: May I ask a supplementary question. Will the minister investigate Mr. Thomadakis' complaint that he was told by immigration officials that he could have counsel, but if he did he would certainly be charged and tried for breaking the law, while if he did not bother to get counsel he would probably be deported immediately?

[*Translation*]

Mr. Tremblay: Mr. Speaker, I will take this question as notice.

[*Text*]

Mr. Speaker: The hon. member for Trinity-Conception.

[*Translation*]

Hon. Paul Martineau (Pontiac-Témiscamingue): Mr. Speaker, a supplementary question. Could the minister give us as soon as possible the names of the other persons detained pending deportation? Mr. Speaker, I wonder whether the Minister of Citizenship and Immigration could answer my question.

Mr. Tremblay: Mr. Speaker, I think that this question should be put on the order paper.

[*Text*]

LABOUR CONDITIONS

ST. JOHN'S, NFLD.—STEPS TO SETTLE LONGSHOREMEN'S STRIKE

On the orders of the day:

Mr. J. R. Tucker (Trinity-Conception): May I direct a question to the Minister of Labour. Will the minister inform the house the present

position of the strike at St. John's, Newfoundland, and if he sees any possibility of an early settlement?

Hon. A. J. MacEachen (Minister of Labour): The mediator is still at work in St. John's, Newfoundland. It is expected that a meeting may be held tomorrow with regard to this dispute. It is a very difficult one, and I can make no assessment as to the future. As my hon. friend knows, the prospects of settlement depend upon the attitudes adopted by the parties.

FISHERIES

REQUEST FOR EXTENSION OF CONSTRUCTION SUBSIDY TO WOODEN VESSELS

On the orders of the day:

Mr. Lloyd R. Crouse (Queens-Lunenburg): The Minister of Fisheries has announced a change in the formula for the payment of assistance under the regulations covering fishing boat construction and the lowering of the minimum size for eligibility to 35 feet. Will the minister also give consideration to the payment of the same percentage of subsidy for the construction of wooden fishing trawlers 75 feet and over that is presently paid to steel fishing trawlers, thereby ending the discrimination against the wooden shipbuilding areas in Canada?

Mr. Speaker: Will the hon. member put this question on the order paper.

INQUIRY FOR RETURN

On the orders of the day:

Mr. Eric A. Winkler (Grey-Bruce): I should like to address a question to the Secretary of State for External Affairs. Will the minister table a return showing the number of returns to questions not yet brought down from the last session as well as from the present session?

Hon. Paul Martin (Secretary of State for External Affairs): Yes.

WORLD FAIR

REQUEST FOR PROVISION OF THIRD ACCESS ROAD TO BRIDGE

On the orders of the day:

[*Translation*]

Mr. L. J. Pigeon (Joliette-L'Assomption-Montcalm): Mr. Speaker, I should like to direct my question to the Minister of Trade and Commerce, to whom I have just given notice.

Has the Minister of Trade and Commerce acceded to the request of the authorities, or rather, has he accepted Mr. Lucien Saulnier's suggestion that another approach to the Champlain bridge be added to facilitate access to the world fair?

[*Text*]

Mr. Speaker: This is a question for the order paper.

Mr. Pigeon: I think the minister is ready to answer.

HOUSING

ASSISTANCE BY C.M.H.C. TO POINT EDWARD NAVAL BASE EMPLOYEES

On the orders of the day:

Hon. J. R. Nicholson (Postmaster General): On Thursday last the hon. member for Cape Breton North and Victoria asked me, as the minister through whom Central Mortgage and Housing Corporation reports to parliament, a question concerning the arrangements to be made to assist workers at the Point Edward naval base. I took the question as notice.

Since the question was asked I have gone into the matter with the officials of Central Mortgage and Housing Corporation and have been advised that the corporation has no rental housing units serving the employees at the Point Edward naval base, nor has the corporation any problems relating to arrears of mortgage payments in this area.

Mr. Robert Muir (Cape Breton North and Victoria): May I ask a supplementary question. I thank the minister for his reply; he is always a gentleman, unlike some of his colleagues.

Some hon. Members: Shame.

Mr. Speaker: I am sure the hon. member did not mean what he stated, just incidentally to his main question.

Mr. Muir (Cape Breton North and Victoria): I cannot hear you, sir, but the Postmaster General is a real gentleman so far as I am concerned. May I ask him a specific question. I was not specifically referring to central mortgage and housing, although that was included, but could he not with his cabinet colleagues look into the question of assisting those who have been put out of employment by this government in paying their rent? They still have to pay rent.

Mr. Nicholson: Mr. Speaker, that is a question for the order paper. I have looked into the central mortgage and housing aspect of it, and with regard to the other aspect, if it is put on the order paper I shall make inquiries.

DATE OF PAYMENT OF WINTER CONSTRUCTION BONUS

On the orders of the day:

Mr. R. W. Prittie (Burnaby-Richmond): Mr. Speaker, may I direct a question to the Minister of Labour. Is the minister aware that many persons living in houses completed before March 31 have not received the $500 bonus yet, and can he inform the house when these bonuses will be paid?

Mr. Speaker: Order. This is a question for the order paper.

Mr. Prittie: Mr. Speaker, I submit to Your Honour that the question of people waiting for $500 is rather more important to them than many of these frivolous questions on the flag.

POST OFFICE DEPARTMENT

WINNIPEG—POSSIBLE USE OF MAILS TO DEFRAUD

On the orders of the day:

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I direct a question to the Postmaster General. On May 5, as recorded at page 2927 of *Hansard*, I asked him a question concerning the possible fraudulent use of the mails by a finance company in Winnipeg and he said he would look into the matter. I wonder if he could bring down an answer fairly soon.

Hon. J. R. Nicholson (Postmaster General): Mr. Speaker, I must apologize to the hon. member. The answer was supplied to me a few days ago, and I will be glad to give it to the hon. member during the next question period.

NATIONAL DEFENCE

POSSIBLE FURTHER REDUCTION IN DEPARTMENTAL EXPENDITURES

On the orders of the day:

[*Translation*]

Mr. Guy Marcoux (Quebec-Montmorency): Mr. Speaker, may I direct a question to the Minister of National Defence?

Has the minister read the statement made over the week end by two economists to the effect that the first step the federal government should take in order to improve federal-provincial relations would be reduce considerably the expenditures of his department and, if so, what action does he propose to take himself?

[*Text*]

Hon. Paul Hellyer (Minister of National Defence): No, Mr. Speaker.

Inquiries of the Ministry

ADMINISTRATION OF JUSTICE

ST. VINCENT DE PAUL PENITENTIARY—REMISSION OF CORPORAL PUNISHMENT

On the orders of the day:

[*Translation*]

Hon. Guy Favreau (Minister of Justice): Mr. Speaker, I should like to answer a supplementary question the hon. member for Three Rivers asked me on May 29, when he wanted to know the latest date on which the sentence of the lash had been carried out at the St. Vincent de Paul penitentiary.

Here is the answer: On May 11, 1964, in the case of three inmates.

Now, for his personal information, I have the data concerning the other dates in the other places of detention if he is interested.

[*Text*]

NORTHERN AFFAIRS

QUEBEC—ADMINISTRATION OF ESKIMO AFFAIRS

On the orders of the day:

[*Translation*]

Mr. Gilles Grégoire (Lapointe): Mr. Speaker, I would like to direct a question to the Minister of Northern Affairs and National Resources.

Could the minister tell us whether other meetings have taken place, in the last few days, between his department and the officials of the Quebec department of natural resources in order to operate the transfer to the province of Quebec of the administration of Eskimo affairs, and could he tell us also whether those negotiations have been broken off or whether there is still some ground for understanding and what is his department doing in that respect?

[*Text*]

Mr. Speaker: Order. Would the hon. member put this on the order paper?

[*Translation*]

Mr. Grégoire: Mr. Speaker, I should like to put my question in such a way that it will be in order and ask the Minister of Northern Affairs and National Resources whether there has been any meeting lately between the officials of his department and those of the department of natural resources of the province of Quebec concerning the transfer of Eskimo affairs.

[*Text*]

Hon. Arthur Laing (Minister of Northern Affairs and National Resources): Mr. Speaker, there has been no contact by myself with any minister of the government of the province of Quebec since I last spoke on this matter in the house.

[*Translation*]

Mr. Grégoire: Mr. Speaker, I wish to ask a supplementary question. Does the minister intend to enter into new negotiations with that department of the province of Quebec about this?

[*Text*]

Mr. Speaker: I must interrupt the hon. member. We have had three questions on this same subject all asking for detailed answers and it does seem to me, inasmuch as this question has been raised every week for the last two or three weeks, that this is a question for the order paper.

NATIONAL HOUSING ACT

AMENDMENTS RESPECTING RENEWAL PROGRAMS, PUBLIC HOUSING PROJECTS, ETC.

Hon. J. R. Nicholson (Postmaster General) moved the second reading of Bill No. C-102, to amend the National Housing Act, 1954.

He said: My remarks during the resolution stage were extended, and in these circumstances I do not intend to make any further observations at this time. I will leave it to hon. members of the house to comment on the bill now before us.

Mr. Erik Nielsen (Yukon): As I said when I spoke at the resolution stage, it is the intention of the official opposition to encourage the speedy passage of this legislation, since the bulk of it was contained in the program of the previous government which would have been implemented had it not been for the extensive obstruction which the government of that day encountered from members who now sit opposite.

I will say that there are some features of this legislation which are deserving of critical and constructive comment and I intend to advance a portion of that comment, as do one or two other members belonging to this party. The first matter I should like to direct to the attention of the minister—I am not certain whether he is aware of it or not—concerns an undesirable practice which has come into being as the result of the drying up of mortgage moneys from independent mortgage sources. It would appear the practice is for builders to approach independent lenders and, since the independent lenders will not make an advance under the provisions of the act as it now stands, the builders offer them a bonus, in effect, of 1 per cent or 1½ per cent on the loan to be made, in this way bypassing the provisions of the act and obtaining money from independent lenders in circumstances under which they otherwise would not obtain it.

I think this practice is not in the best interests of the housing industry as a whole, and it is certainly one which deserves the attention of the minister. Officials of Central Mortgage and Housing Corporation must be aware of this undesirable practice and the house would, I am sure, be interested in hearing from the minister what steps the corporation has taken in order to prevent its continuance.

My remarks this afternoon will be confined mainly to the application of the housing provisions to northern housing because this is the area of the country with which I am most familiar. I wish to deal particularly with the provisions having to do with the development of low rental and low cost housing either by municipal authorities or by independent contractors. I also intend to devote a few of my remarks to loans in respect of the purchase of existing homes.

At the outset I can tell the minister that in my view the provisions of this bill which purport to amend the National Housing Act so as to provide mortgage money for the purchase of existing homes do not go far enough. The provisions contained in part III of the bill are too confining. In the whole of the Yukon Territory there is only one urban area, and in the Northwest Territories a similar situation exists. Thus an extension of the provisions of the act as far as northern housing is concerned would confer no benefits whatsoever in the direction of expanding home building in this vast area, which makes up 40 per cent of Canada.

There is a desperate need in the north for an extension of the provisions of the act, not only with respect to making loans available for the purchase of existing homes but for loans in themselves. As the minister is well aware, the provisions of the National Housing Act now impose—probably for good reason in the more southerly areas of Canada—certain standards which must be adhered to if money is to be advanced for the construction of new homes; I am thinking particularly of the existence of sewers, water facilities and the like. The original act remained unworkable in the northern areas of Canada until the government changed in 1957, and in subsequent years amendments were made to the National Housing Act which resulted in a substantial increase in home building in the northern area of Canada. The minister may be interested to learn, for instance, that prior to 1958 there were only two homes in the whole of the Yukon which had been built under the provisions of the National Housing Act, while in subsequent years, after the changes had been made and the terms of the act broadened, well over 100 homes were built in the city of Whitehorse alone. For the purpose of the

Canada Elections Act, Whitehorse is now described as an urban area but really the greater Whitehorse area is not what could be called a truly urban centre in terms of southern urban centres. There still exists a great need for the development of sewer and water facilities in this district beside other amenities which are taken almost for granted in the more southerly areas of Canada.

The act does not work at all in places such as Dawson city, Haines Junction, Watson Lake, Beaver Creek, Porter Creek, Mayo. I am sure the minister is familiar with these centres because he recently made a visit to this region. A similar picture could be drawn with regard to the Northwest Territories. So there is a great need for broadening the provisions of the act so as to provide Canadians who reside in these northern areas with mortgage funds, access to which southern Canadians take almost for granted.

Perhaps if the officials of Central Mortgage and Housing Corporation were to concentrate a little on the problems of housing legislation as they affect northern home building a solution might be found so as to make mortgage funds available to these communities. For example, it is possible that exceptions might be made with respect to the standards which are required. I realize that since this is national legislation, certain national standards must be set. At the same time, if the provisions of the act are so restricted, having regard to the tempo at which these northern communities develop, that the legislation itself becomes completely unworkable as applied to individuals who wish to build their own homes and do not have the material resources with which to proceed, it is obvious that careful examination is called for.

I was interested in the remarks the minister made concerning the Winnipeg urban renewal scheme. This scheme, as I said on a previous occasion, was conceived and set in operation during the term of the former government, and it is one which sets an example for other urban areas in Canada to follow. It is a most ambitious undertaking and I am sure if other Canadian centres of a similar size and with similar problems were to take an object lesson from the Winnipeg project, housing standards generally would rise in the heavily populated urban areas of this country.

Again, the provisions of the urban renewal sections of the National Housing Act cannot be applied on all fours with northern centres. There is just as much urgency and need for urban renewal, if you want to use that term, in the north as there is in the more southerly areas; perhaps even more so because of the manner in which these northern areas develop, particularly in the Yukon, where you had a mushrooming development during the construction of the Alaska highway and as a result many temporary, army-type buildings which were erected have since been vacated and acquired by private enterprise, some of which have been improved and others of which have not.

As the minister is well aware, building costs run something between 30 per cent to 40 per cent higher in northern Canada than in southern Canada. That means for every dollar that the individual in Winnipeg or Edmonton would pay for a pound of nails, the cost would be $1.40 where I come from. Again, a similar situation exists in the Northwest Territories. It is an adjustment in this area that is needed for the down payment provisions, because the capital position of the borrower and all these factors change the further we go north because of the freight differentials that exist, because of the increased labour costs that exist, and the other cost factors which are brought to bear on construction costs generally in the northern areas.

I should now like to point out one of the big stumbling blocks to the ease of building in the north. I must say that this is a matter with regard to which I have received great co-operation from C.M.H.C. officials, particularly the late Mr. Bates. One of the largest stumbling blocks is the question of standards. What might be acceptable standards in the south with respect to stucco, outside finishing and this sort of thing, have to be gauged in an entirely different light when you judge these matters in the light of northern conditions. There are many who believe that because it is so much colder in the north—at least they make that assumption—and because of the longer period of winter—at least they make that assumption as well—the construction standards for outside finishing have to be that much higher for northern building; or conversely, they will not be adequate when measured by southern construction standards.

This is a false conception of the north because people who have been there will realize that the conditions that exist in my home town of Whitehorse and in Yellowknife are pretty well the same as they are in Winnipeg or any other southern prairie centre. As a matter of fact the average mean temperature in Whitehorse during the six winter months is one degree warmer than that in Winnipeg; yet the immediate assumption is made that the outside finishing standards for construction in the north must be that much higher because of the difference in the climate between the north and the south. People have an entirely wrong conception of living conditions in the north. But I would urge on the minister that our needs for housing are as great as or greater than those which exist in the southerly centres.

If the minister will ask his officials I am sure in 10 or 15 minutes there can be explained to him the history of the long fight which we waged from roughly 1950 through to 1958 for an amelioration of the restrictive terms of the housing act so that it would work in the Yukon Territory. He will then immediately understand just how difficult it was in that day for northerners to obtain loans at all. But with all credit to the previous government, the act was amended so as to permit building, and I think the significance of the statistic I have just cited to the minister will indicate that this is so; that is to say, where only two homes were built under the N.H.A. prior to 1958, in the next two or three year period there were well over 100 built in the Whitehorse area alone. But there is still no N.H.A. building going on in any other community in the Yukon.

The reason for this, of course, is that the standards are too high. Some communities have not water and sewer facilities; septic tanks are not allowed, I believe. I am not an expert on the housing standards that are required by C.M.H.C., but I do know that one of the greatest complaints as I travel around my constituency is that the people who want to build homes and settle down and make themselves and their families permanent citizens there simply cannot do so because they have not the wherewithal themselves with which to build, and N.H.A. is not working in their communities.

Therefore I would urge the minister to give these northern conditions particular consideration. The personnel of C.M.H.C. are not only dedicated people, but in my experience they are people of imagination who can usually find solutions to these problems if they really have a mind to do so. I am sure if a little bit of time is devoted to this particular problem they will be able to come up with suggestions to the minister for perhaps future amendments to the act which would allow home building to go on in these northern communities to the same extent as it goes on in the remaining parts of Canada.

The other matter I wanted to draw to the minister's attention is the lack of any inspection facilities in the Yukon; and the same situation, again, exists in the Northwest Territories. Usually, as the minister knows, inspection services are available in or close to communities that are doing any extensive C.M.H.C. building at all. The facilities that we are required to use in the Yukon are based at Prince George, so that there is a substantial delay between reaching the stage of construction that the act requires and its actual inspection, for which the inspector must travel from Prince George to Whitehorse, and then the approval and subsequent payment. So contractors sometimes have to wait as long as two or three months, and longer, for progress payments. Certainly it is wrong, I feel, to have contractors carrying the corporation or the government—the corporation in this instance—out of their own funds. That is what it amounts to. The mortgage advances are not made, and the contractor has to obtain a loan at the bank at 6 per cent in order to make the payment which C.M.H.C. should have made. If the inspection services were based on the spot this problem would be overcome.

I submitted a rather lengthy list of suggestions concerning standards to Mr. Bates before his death. Mr. Bates replied at length to me, and I understand that these matters are all under consideration in the corporation now so I will not take up the time of the house with the detail of those submissions. I have never had anything but the greatest co-operation from the officials of C.M.H.C., and particularly Mr. Bates with whom I was wont to deal most often. I am sure they will look at these submissions with respect to standards and perhaps, if it is at all possible, make the necessary proposals to have the standards requirements of their legislation or regulations amended so as to take into account northern conditions.

With those few observations with respect to northern housing, Mr. Speaker, I would urge the minister to take these specific matters under his personal care and attention. I know he will do that, and I know he will get the utmost co-operation from the officials of C.M.H.C., and perhaps we might see some further progress in northern housing development.

Mr. Reid Scott (Danforth): Mr. Speaker, as has already been indicated by other speakers from my party, we welcome this bill and are, of course, prepared to support it. It is particularly pleasant to be able to accept this measure with enthusiasm, because I recall that the last time the hon. gentleman brought some legislation before the house in connection with the post office we were not able to greet it with the same enthusiasm with which we welcome this bill, and that is a pleasant change.

I do not want to deal with the specific clauses of the bill. We had some discussion on this matter, and I want to leave the clauses until the committee stage where they will be dealt with in detail by the minister. One thing which is important in the discussion is this. It should be made clear that the problems of housing and urban development are in no way exclusively restricted to the large centres of population; the smaller

towns in the rural areas are just as vitally affected by measures of this kind as the large city centres.

A report by the Ontario department of municipal affairs in 1962 set out this situation very clearly. For example, it pointed out that in Sault Ste. Marie 55 per cent of the structures were classified as less than good. The survey conducted in the city of Kingston again showed evidence of blight. The survey showed that many of the homes were seriously lacking in necessary facilities for good housing. Hamilton had pockets of substandard housing, which was also set out in the report. In Windsor over 25,000 structures were examined, 13.3 per cent found vulnerable to blight, 3 per cent totally blighted and others partly blighted. The report also discusses Ottawa, where out of 5,385 units examined there were 4,370 which had serious deficiencies in sanitary and housing facilities.

One of the worst places in the province of Ontario, and perhaps in all Canada, is my home city of Toronto, where very little progress has been made in the matter of public housing in the last five years. In 1958 the metropolitan council set itself a target of 1,000 units a year but now, five years later, they have only erected about 550 in total.

This is a situation which has developed all across the country; it is not restricted. It is in contrast to some other areas which have promoted this type of housing very adequately and have therefore been much more successful. The city of Newark in New Jersey has built twice as many as the whole of Canada, yet its population is only 500,000 compared with Canada's 18 million.

We were particularly pleased to hear in the minister's speech the emphasis he properly laid on the need for public housing and urban redevelopment, because these are two of the areas which have been tremendously neglected. The minister was very tactful in his speech, and admitted quite candidly that progress to date had been something less than perfect. That is a diplomatic way of putting it. I suggest instead that to date it has really been an abject failure. One of the problems we seem to have in this house and which I have experienced is that everyone seems reluctant to admit that problems exist in case they start an argument as to who created the problem, and we seem to spend as much time trying to allocate responsibility for a particular problem and in blaming the cause on a particular government as we do in trying to devise some sort of effective and realistic programs to deal with them.

My main interest in participating in this debate at the second reading stage is that I feel what we should be concerning ourselves with is not just the passage of this bill but with what is going to happen after the bill receives royal assent. Words and phrases do not build houses, and the good intentions expressed in the bill are absolutely useless unless they are carried out with tremendous initiative, energy and vigour. I think we should be more concerned about how this bill is carried into reality than with the clauses themselves, and I will suggest to the minister some proposals for his consideration which I think will enable us to make this an act really worth while and productive of concrete results.

The first thing I think the government should seriously consider is the creation of a ministry of housing which should be headed by a full time minister. For too long in Canada we have failed to recognize that good housing, at prices which people can afford, and good citizens are intimately connected; that the provision of good housing is every bit as important as the provision of family allowances, pensions, hospitalization schemes and other welfare measures. We have paid lip service to this principle in Canada, but I do not think we have ever really accepted it. Yet the connection between housing and good citizens is so obvious to me that I do not think it needs any documentation.

Governments in previous years have largely regarded housing as some sort of economic pump primer. When construction was dragging our governments have tended to turn on the tap and let some mortgage money flow out in an endeavour to stimulate the housing industry, not so much through a genuine belief in a housing scheme as an inducement to employment and as a means of attempting to stimulate the economy. We saw an example of that in the $500 winter construction bonus, which was primarily designed to provide employment and was not particularly concerned with housing itself. It is also significant that this scheme is not administered by Central Mortgage and Housing Corporation under the minister but is under the jurisdiction of the Minister of Labour.

Over the years our housing agencies have been shifted from one department to another, and they are now under the control of the present minister. Presumably when another minister is appointed after the by-election in Saskatoon there will be another shifting around. This has really lowered the whole approach to housing.

I do not think we have ever recognized the tremendous need in Canada for a genuine national housing program. I know it is difficult. I realize that housing problems have to be worked out in the context of the federal

state, and that we have to deal with provinces which have been pretty darned apathetic over the problem. We have also had to deal with municipalities which are the creatures of those provinces. I realize that our municipal politicians in particular and people in general have always shown a great reluctance to get into the field of housing, and I am aware of the difficulties this creates for a federal minister who is trying to promote a proper housing scheme. But the best way to show the provinces and the municipalities that one really means business would be to give pretty serious consideration to elevating housing to its proper place. This is just as important as national health and welfare, it is just as important as fisheries and it is just as important as forestry.

I think it is about time that we Canadians establish and put into operation a new ministry of housing headed by a full-time minister. In view of the hon. gentlemen's speech at the resolution stage and the attitude he has shown, I think I would be quite happy if he were the minister in charge of this great undertaking. So my first suggestion is that we have a full-time minister of housing.

My second suggestion is that I think the minister should be prepared to take to the road and sell this measure to the provinces and to the municipalities. This is going to be one of the very big problems, to overcome what I described a moment ago as the apathy and indifference of the provinces and the municipalities in this field. I should like to see, for example, a series of provincial-municipal conferences organized by the minister in each province where the provincial governments and the municipalities could be brought together, and their needs examined and in particular specific goals and targets set so that we will have some rule by which to measure the success which is being achieved in this particular field. Again, if this is going to be done, if you are really going to get out, promote the act and overcome the apathy, there will have to be a full-time minister of housing. I do not see how you are going to get around that particular problem otherwise.

Third, I should like to see the minister stir up his own department, Central Mortgage and Housing Corporation, which at the moment is largely oriented toward private, single family homes and apartments built by private operators. This is not the department's fault. Successive governments have never really encouraged the department to activate itself in some of these other fields. But they are at the moment largely oriented in this direction, and it seems to me that one thing that really could promote the act would be if the minister could get the department all steamed up, and then C.M.H.C. officials right across the country could really sell the program to the municipal officials and local planners with whom they are in daily contact. This would go a long way toward active promotion of this particular scheme.

Fourth, I think the government should seriously consider sponsoring and financing courses on a university level for housing authorities, housing administrators, welfare authorities and, in short, anybody having anything to do with public housing, especially homes for the aged. If such courses were made available and the details, benefits and necessity of substantial action under this act were made clear, I think these officials would have a lot of information they do not have now. They would be a lot better informed and prepared to recommend schemes to their particular municipalities.

Fifth, I should like to see the minister promote this housing legislation by greater use of press conferences and press coverage. We simply must begin to make Canadians more housing conscious. We are obsessed in Canada with single family ownership and all of the advertising and promotion have been in this direction. Consequently a stigma has grown up against subsidized public housing, and I think the minister has a big job ahead of him if he is going to reorient Canadian thinking on this subject and make people realize that public housing is perfectly respectable, and subsidized housing is economically necessary. If he began such a campaign I think it would be most helpful.

For example, I should like to see a model city built somewhere in Canada so all Canadians could see the wonderful new things that are available in town planning, planning techniques and housing in general. We might even make it a part of our centennial celebrations; but a model city would encourage people to see it, make them realize the importance of housing in our daily lives and would put them a long way on the road to considering this as a major problem.

Sixth, I should like to see the government initiate a crash program for senior citizens, especially single pensioners. I know the minister has been on a cross country tour and has visited many areas. I am sure he has seen, as all of us have, the shameful and disgusting accommodation in which many pensioners live. All of us during election campaigns have had occasion to visit these individuals in their single rooms at the top of houses and have come away—I did at least—ashamed to be a Canadian, in that we were permitting our pensioners to live in such deplorable circumstances. While I realize there are other aspects of great importance, I should still like to see a crash program, for humanitarian

reasons if nothing else, because these people are not going to be with us very much longer.

Seventh, we simply must find some method of streamlining and making less complicated the procedures and regulations required to initiate these proposals. At the present time it takes approximately 58 steps in number to bring a program into actual realization. This results in endless and needless delays, frustration and quite often eventual abandonment of the project because it just does not seem to be going to get anywhere.

Eighth, we have to try to convince municipalities that they must permit greater flexibility in building, greater flexibility in their bylaws, greater flexibility in the designing of the buildings involved. I think Toronto has the most archaic building bylaws in North America, and I am sure this sort of thing frustrates and defeats many of the purposes of the planners and many of the hopes of our legislators.

Ninth, finally, and most important, I think that everything devolves on the minister. It seems to me that the success or failure of the act will rest on his ability to marshal his energy and imagination and to give the country leadership in the field of housing, something that it has been badly lacking. The problems of urban communities are so immense that they are almost staggering. I do not suggest for a moment that we can expect any miracles in the next year or two, but it is time for action to commence, and it really is going to devolve on the minister himself. In fact, the minister has an opportunity that I would envy, because if he is able to do some of these things, if he is able to overcome the apathy, if he is able to get things moving in the housing field in a really big way, he has a chance to change the face of Canada and to begin now that process that has been long delayed and which would revive our urban centres and our rural regions as well.

These suggestions I make to the minister are obviously of a short run character designed to deal with this particular piece of legislation, but in concluding I want to suggest something else. I suggest to him that the real problem of urban life is, as I have said, enormously complicated because it involves all the needs of town planning, transportation, communication, industrialization, commercialization, as well as places for people to live. It creates great social and psychological problems which none of us really understands and we do not have enough information with which to deal with them. I propose that the minister should give consideration to a long run approach to housing in addition to this legislation. I suggest to him that the government should consider appointing a royal commission on housing that could begin to sit now and obtain the information we need to devise solutions to deal with the problems of urban Canada in the next two decades.

We all know that our urban areas are growing steadily in numbers and strength, and that it will not be too long before 80 per cent of our people will live in cities and 20 per cent in rural districts. This is going to pose problems of an almost staggering nature. I suggest that this royal commission should have wide ranging terms of reference. For example, I think it should establish the approximate housing needs of low income families. I should recommend a national housing policy to deal with all segments of society including the following: Housing for low income families, housing for moderate income families and housing for the elderly.

It should study and report on the kind of public housing programs required in large, medium and small communities. It should study and report on the place of government in land assembly and economic rental housing projects, because we have really never made up our minds what position the government occupies. It should study and report on a less complicated arrangement with respect to financial and accounting arrangements as between the participating groups. It should study and report on rental structures on all types of public housing. It should report on the present system of producing public housing; how effective it is, what the roadblocks are and what is the best way around them. It should report on the desirability of the senior governments acting as financial agents only, giving greater and greater autonomy to our municipal people, to the local agencies and corporations that will carry out these projects. It should report on the role to be played by private enterprise in urban renewal and public housing programs. We have really not delineated where the government stands and where private enterprise stands, and this is constantly muddling up and confusing housing projects.

This commission should study and report on the general planning of public housing projects with specific reference to design, size, provision of services, relation to urban development programs, conservation, rehabilitation and acquisition of existing housing, all the things that go into a massive plan. It should give some idea of the kind of local organization required to deal with urban renewal, public housing and relocation operations. I believe that as this act comes into force in the next two or three years, as it gets more active, we will have an organization. However, what we really need is a thorough study in depth. It should report on housing for the aged with specific reference to environment and site requirements and

co-operation between the various levels of government, as well as economics, the plight of our pensioners and their needs.

These are only a few of the things I think this commission should study. If this commission were appointed and permitted to sit for the next two or three years gathering this information in the usual way, then I believe the government would have the necessary information with which to initiate, not a short term program which is of course essential at the moment, but a long term program that is really designed to assess the whole problem of the development of urban Canada and the best way in which we, as the government, can handle it. I know that is a big task and that is why I reluctantly suggest a royal commission. I do not usually like them. However, I think this is the type of work they can usefully do. If the minister would take this into consideration I think we could possibly come up with a long range program.

I just want to repeat what I said at the beginning. We are glad to have the act and we are relying on the minister to give the government the leadership it so desperately needs. I believe that if this is done, then despite the problems we may be on the way to a solution of them.

Mr. Bert Leboe (Cariboo): Mr. Speaker we, too, welcome the improvements that are going to be introduced as a result of this bill we have before us. Like everyone else, I suppose, we can always find more things to do than we have the means with which to accomplish them. I am well aware, as I think most members are, of the problems that confront the minister in connection with housing.

First of all I think we have to recognize that the number of starts, the number of units that we have in the planning stage, the goal to which we are looking forward, has to be related to the economic impact this will have. It is impossible to isolate large housing programs from their economic impact on the Canadian economy. We are considering the problems of growth, we are considering replacements and then we are considering the number of people who actually need new houses. Immediately we are confronted, I believe, with a very serious problem. Are we going to build more units for living quarters at the expense of other economic expansion? Is it possible to get the maximum number of starts and still avoid an inflationary tendency, an increase in the money supply and the economic activity? These are I believe the real problems.

I do not believe we can isolate these economic impacts from a house building program. In so far as the planning of a city is concerned, I think we can give consideration to what has happened at Kitimat in British Columbia. The city of Kitimat was built by the Aluminum Company of Canada and planned as a city that would accommodate 50,000 people. If you want to study the housing problem in relation to the whole question of churches, schools, transportation, and so on, I think we have a good example in Kitimat. This is an example of what can be done when you are starting fresh. However, when we have a situation in which a good many people are involved, a lot of expropriation, transport problems, churches, schools, hospitals and so on, then you will not find a solution overnight.

So far as I am concerned these problems are not going to be solved by any stereotyped planning. I think we will find that every town, every area will have to be considered individually because of the climate, soil conditions and other factors such as railways, highways and so on. There are many factors that are going to be involved, so I do not believe we can entertain any stereotyped planning.

I suggest there are two things for which we are striving in connection with housing, and both have been mentioned here. Along with those who are getting new housing, we are also getting economic stimulation. Economic stimulation is there because you have various component parts such as the lumber industry, that is interested in the number of board feet going into any housing plan; the cement, hardware, heating and furnishings. The furnishings are a great part of the economic impact that goes along with any housing program.

I should like to draw attention to one very important point. I feel very strongly on this matter of interest rates. I think there ought to be a steady interest rate. If we are talking about a subsidy at all, I think this is the one place we should give consideration to a steady interest rate. We should give some consideration to what is happening in the United States. I think it is very unfortunate that one person entering into a contract today and another person entering into a contract two months from today should be paying a different percentage in interest. I think we should be giving serious consideration to the establishment of a revolving fund. This idea was advocated in 1954, I think it was, and was discussed before the banking and commerce committee in 1955. It was suggested at that time that a revolving fund be set up for housing and that the operation of this fund should determine the interest rate.

It was suggested at that time and, as I recall it, Graham Towers, the then governor of the Bank of Canada concurred in it, that an interest rate based on the revolving fund, or a service charge, could be more appropriately considered. This would be in the neighbourhood of 1½ per cent to 2 per cent of the cost of the money supplied, and I believe this would be a step very much in the right direction and one which would decrease the over-all, long term cost of housing.

It would also have another effect, the effect of the impact on the economy of an extensive housing program. The extent by which we can reduce interest rates, thus reducing the over-all cost of a house after a 20 year period, will have an impact on the actual cost of the whole program, and we could give serious consideration to expanding the number of starts in our housing program without involving the expenditure of any more money. In my view this is important.

We shall have two or three questions to ask when we reach the committee stage, and so I shall conclude my remarks by saying I think the present minister is one in whom we have a great deal of confidence, and we are certainly looking forward to more action in connection with housing.

[*Translation*]

Mr. Maurice Rinfret (St. James): Mr. Speaker, the National Housing Act implemented in 1954 has contributed to improve the standard of living of thousands of Canadians and it is essential to continue in that direction.

The government should be congratulated for making available to provinces and municipalities an amount of $100 million for urban redevelopment programs. Governments at every level are responsible for the carrying out of a co-ordinated and progressive slum clearance program implying at the same time a low cost housing program.

In Montreal, civic and provincial authorities, in co-operation with various associations, have designated as an historic district, the south central area of the city.

The new policy of the federal government authorizing loans for the renovation of existing homes will stimulate further the efforts of those who want to keep, as monuments, those old buildings full of souvenirs.

Other cities have already undertaken such a campaign to save our old buildings and they will extend to a greater number of property owners the benefits that C.M.H.C. makes available to them.

Another advantage of that measure is to allow those with modest means to acquire a house which has fallen into disrepair, to repair it out of the family budget, and to become the owner of an attractive home.

At the present time, it is easy to see that, in great cities, there are sections where houses are in such a poor condition that they look like slums and where living conditions are unacceptable. The new legislation will enable to check the extension of slums in the older sections of our cities. After restoration, these houses will enable low income families to obtain accommodation at a reasonable rent and enjoy the privilege of living in a clean and comfortable house.

I commend the government for the co-operation it wants to give the provinces in building homes for the aged or the people without a family, for its assistance to non-profitable organizations in order to facilitate the building of houses for low income persons or families.

We appreciate the fact that the program of loans to universities will be continued since that will permit the construction of student residences.

Mr. Speaker, last November, the C.M.H.C. improved French Canadian representation within its ranks by changing the structure of its board and by increasing from four to six the number of its senior officials. Of the six executive directors, two are French Canadians, Messrs. Hector St-Pierre and Jean Paul Lupien. I hope the example set by C.M.H.C. will be followed by other crown corporations and federal departments. With a certain amount of goodwill, it is easy to give French Canadians a more equitable position within the federal civil service.

Anyone who goes over the reports of C.M.H.C. is bound to notice that Quebec does not participate in federal-provincial low rental housing projects. Between January 1, 1948 and October 31, 1962, out of a total 10,870 units built under that program, only 796 were erected in the province of Quebec, that is in the city of Montreal.

In Ontario, 37 municipalities benefited by that legislation. In Quebec, only Montreal took advantage of the program. Quebec municipalities and the provincial department of municipal affairs should co-ordinate their efforts and take full advantage of the National Housing Act in co-operation with Central Mortgage and Housing Corporation.

It should be remembered that the National Housing Act authorizes the federal government to give financial help to any municipality which has, within its limits, areas where housing conditions can be improved. Through an agreement with a municipality and with the approval of the provincial government concerned, the federal government can contribute 75 per cent of the

cost of an urban renewal study on the whole city and up to 50 per cent of the cost of a study on any particular area.

If, after those studies, it is decided that an area is in a state of advanced deterioration, the municipality can acquire the existing properties and clear the land for new residential or commercial construction.

The federal government will contribute 50 per cent of the cost of clearing and 75 per cent of the cost for new residential construction. The provincial government is called upon to take part in every agreement by means of a financial contribution and through the services of technicians of the department of municipal affairs. The Quebec minister of municipal affairs is to be commended for the initiative he took on May 27, when he created the "province of Quebec town planning award", to be given each year to the municipality submitting the best town planning program. Such a gesture should give new life to town planning.

Consultation between the town planning services of our municipalities, the municipal affairs department of each province and the directors of the Central Mortgage and Housing Corporation will improve living conditions for a greater number of Canadians.

[*Text*]

Mr. Reynold Rapp (Humboldt-Melfort-Tisdale): Mr. Speaker, my remarks will be very short but I have a different case to present than most other members. As everybody knows, a lot of potash developments are taking place at present in Saskatchewan, and although the Central Mortgage and Housing Corporation had given consideration to providing loans for housing where towns close to these potash mines needed them, nevertheless they have not gone as far in this direction as I and many others think desirable. I will mention, as an example, one town—the town of Lanigan. In Lanigan, or a few miles outside it, they are sinking a shaft and within a short time hundreds of people will be moving in. Before the potash mine comes into production new buildings and new houses will be going up—shops, businesses, schools, and so on. Later, hospitals will be required. But if these people cannot arrange a deal with the Central Mortgage and Housing Corporation we may run into a situation similar to that which developed in the town of Esterhazy where a potash mine is now in operation. This town grew by 150 per cent, if not 200 per cent after work on the sinking of the shaft was begun, but no co-ordinated planning was undertaken and virtually no houses were built by arrangement with the Central Mortgage and Housing Corporation—although I must say the corporation is prepared to give the same deal to Lanigan as to larger cities. Nevertheless, the limitations when dealing with one-industry towns still exist, and the corporation can go no further.

I believe the provincial government will be visiting Ottawa again to discuss this problem with officials of the Central Mortgage and Housing Corporation. At the present time, as I say, they are doing as much as I suppose they are allowed to do under the existing regulations. The company itself is, probably, prepared to guarantee C.M.H.C. loans taken out by its own employees. But this town is concerned about those who are not employees of the company and who also have housing needs, and I should like the minister to assure us that consideration will be given to providing loans for business people and even municipalities in these circumstances. I should like the government to take another look at this situation together with the provincial government, and representatives of Central Mortgage and Housing Corporation, in an effort to work out some suitable arrangement, because this is a serious matter. If we were only concerned with the situation during the sinking of the potash shaft, perhaps the situation would be tolerable; but we must think in terms of three or four years time, perhaps even less than that, when the mine comes into production and the need arises for many homes, additional business, hospitals, new schools and so forth. According to the planning done by the provincial government it is estimated that within six or eight years this town will grow to a population of approximately 8,000, as compared with the present population of 1,000. One can imagine what will happen if there are opportunities for these people to work, but no means by which they can obtain loans reasonably so as to build homes and put up all the other buildings which will be necessary. Lanigan could develop into a shacktown, if Central Mortgage and Housing Corporation do not change the regulation.

I am sure the departmental officials are familiar with this case because I have made representations more than once on this subject. I must say they were very co-operative and that they understood the situation very well. But they can only go as far as the act will allow. The government finds itself in a similar situation, I believe, at the present time. I was given to understand that in the very near future this question would be taken up again. I may say that there is more than one company involved. At the present time there are about 20 companies with interests in the province. The big future which lies ahead for potash means that more of these companies will be prepared to go ahead with plans for development. As a matter of fact,

I know of one company which had no intention of sinking a shaft until a short while ago. They have now made up their minds and they intend to sink a shaft, too. It will not be far away from Lanigan—one is to the east and the other is to the west.

So, without holding up proceedings any further, I should like to repeat that consideration has been given to these problems up to a certain point, but that the action taken has not gone as far as is desired and it would be most helpful to these small communities if more could be done. Should the minister need any additional information I am sure he will be able to obtain it from his officials because they are familiar with this matter.

Mr. Deputy Speaker: Is the house ready for the question?

Some hon. Members: Question?

Mr. Deputy Speaker: The hon. member for Grey-Bruce (Mr. Winkler).

Mr. Winkler: I will defer to the hon. member for Halifax (Mr. Lloyd) if he wishes to speak, inasmuch as a speaker from our side had the floor previously.

Mr. J. E. Lloyd (Halifax): Mr. Speaker, I will be happy to yield the floor if there is any agreement that the house should afterwards proceed to give second reading to this bill, but I understand there are to be other speakers and perhaps, in the circumstances, in view of the observations made by the hon. member for Grey-Bruce, I might make some remarks on this subject.

This is indeed a piece of legislation with which, I am sure, everybody agrees. All I have heard so far are statements substantially in support of the bill. Statements have been made by spokesmen for the opposition to the effect that this is the kind of thing they had in mind. May I assure every member of the house that as a member of the mayors federation of Canada before I came to this place I recall appearing on several occasions over a period of three years before members of the cabinet to advocate legislation of this kind, not in its precise detail but as far as the broad principles are concerned. I think you will find, Mr. Speaker, that every mayor and every alderman of a municipality who has a genuine interest in the clearance of slums, in the prevention of the spread of blight and in the rebuilding of worn out downtown areas will be anxious for this house to proceed with the legislation now before us. It has been a long awaited and urgently needed measure. At the municipal level of government it will assist them to do the job they wish to accomplish, in co-operation with the national government and the federal government, so as to bring about a betterment of social conditions in the housing field. They want to make a contribution to the economic health of Canada by redeveloping blighted and worn out commercial areas.

We all see a new opportunity for employment in the capital goods sector of our economy. We find an opportunity here, while engaging in a social act, to provide employment for people in the building trades, both on the site and off the site, in the plants which produce building materials throughout the entire region of Canada. We also want to prepare for what everyone tells us is an increasing density of population in the urban areas of Canada. If the prognostications of our economists are correct, we will need this kind of urban renewal program on its way as rapidly as possible, because they tell us—I think they are substantially in agreement and I do not think anybody challenges this kind of economic thought—that more and more people in this world are finding a need to locate jobs and positions in the servicing sector of the economy, as compared with the productive side of economic activity, due first of all to population growth and second to the fact of automation in industry. So it is an inescapable fact that around the urban areas you will find continuing the oft described population explosion.

The bill attempts to make its contribution to the desires of the municipalities and the provinces by rewording the provisions of the act which have to do with the areas in which the federal government, through Central Mortgage and Housing Corporation, may participate. In the previous statute, as I understand it, there was some restriction with regard to the kind of area in which Central Mortgage and Housing Corporation could participate. I refer to that particular section which required that there be a substantial quantity of housing. I believe the present proposal will remove that particular restrictive clause. While it requires comprehensive planning, I believe it will remove that particular clause and enable the clearance of blighted commercial districts as well as blighted slum areas. This would be a great encouragement to those at the municipal level of government who found from their planning advisers that you could not hope to accomplish a good urban renewal program if you confined yourself to a very narrow block of clearance, and it would require a much more expanded area if you wished to encourage redevelopment in the region of residential as well as commercial redevelopment.

Then the proposal to assist financially the municipalities in providing the capital for their share of the programs in the field of urban renewal will also be welcomed. But the

act, if you read it carefully, as it did before, attempts to encourage what is called comprehensive planning. What this means really is that the Canadian government, in giving assistance to municipalities through and with the co-operation of the provinces, want to be sure that the end objectives will be reached, and when we talk about the need for comprehensive planning in an act of this kind we are referring to proper land use plans, which are the product of some very serious and extensive planning by competent planning authorities. It means the existence of legislation which compels the observance of minimum standards. It certainly requires housing outside the area projected for redevelopment being subjected to examination to make sure that the blighted conditions will not develop outside the area being redeveloped. This requires a very rigid application of minimum standard laws at the municipal level of government. It also requires, in this field of so-called comprehensive planning, some very informed and extensive studies of the economic base from which the region derives its growth and development. Without that knowledge you might very well undertake a clearance program and then find land which you have cleared lying undeveloped for some years to come.

This observation of mine derives from a comment made by one hon. member this afternoon who was talking about the need for a ministry of housing. If he meant by this that we need to increase our interest in this field under whatever minister it may come, I heartily agree. As a matter of fact, comprehensive planning for a city requires a knowledge and understanding of the economics of the region in which it is located, and it requires some comprehensive planning of the entire region around it. This brings you into an understanding of what is the comprehensive planning of the ARDA program to be, and how it relates to developments within urban areas. I suggest that the two fields of activity, at least with respect to general, overall planning of land usage, are involved with the same kind of problem. So if we pass this legislation, the municipalities will have the challenge back in their hands to attack the bad social conditions of bad housing; to meet the challenge of helping to provide employment in the capital goods sector by redevelopment; and they will have to meet the challenge of preparing for the future growth and development of their urban areas by virtue of a population explosion which will continue because of the economic realities of our time.

Some reference was made by the hon. member for Yukon (Mr. Nielsen) to the need for Central Mortgage and Housing Corporation activities being expanded in the northern parts of Canada. I think this is a separate problem. Here the hon. member is talking about the need for government policy in urging, assisting and encouraging proper housing development in those great northern areas. This is really what you might call new development as distinct from redevelopment. There is no question that this requires the attention of government. However, I was pleased to find a member of the opposition appealing to the minister to give his attention to it, because no doubt he made the same appeal to the government he supported in the past few years, and had failed to achieve any success in this regard. Now he turns to the new minister and hopes this government will achieve the success which his government failed to obtain previously. In this regard, Mr. Speaker, I welcome his observation. I think I can assure him that this government will co-operate in reaching the objectives and solutions which he says are so badly needed.

Some reference was made by another hon. member to giving credit to Winnipeg for leading the way. I think I would be remiss in my duty, representing the constituency of Halifax, if I did not draw attention to the fact that in 1957 we began with a program, 75 per cent financed by the federal government, to make a study of the Halifax region. Then came a major clearance project; this was followed by building some 340 units and rehousing displaced people, and this was followed by development proposals being called for, not only from Canada but throughout the world. Then only a few weeks ago did we have an agreement signed for a redevelopment project amounting to some $35 million of new commercial and housing construction in that older city of Canada. In this regard, Mr. Speaker, I am happy to say that Halifax is in the vanguard in this connection, and received in this respect the co-operation of the former government and the former minister of finance, the hon. member for Digby-Annapolis-Kings (Mr. Nowlan) who is sitting opposite. I am sure that the government which is now in office will extend the same co-operation to all areas which have comprehensive plans and which have real, genuine needs to be met. I am sure such areas will receive the co-operation of this government to at least an equal degree, if not to a greater degree, than that accorded those seeking it on previous occasions.

Mr. Winch: Could I ask the hon. gentleman a question?

Mr. Lloyd: Certainly.

Mr. Winch: A few moments ago I gathered that the words of the hon. member for Halifax (Mr. Lloyd) were to the effect that the passage of this bill would be a challenge thrown back to the municipalities to take action. May I ask the hon. member whether, in his opinion, the passage of this bill would in any way remove the red tape and roadblocks which, if my information is correct, stalemated the city council of Halifax at the time when the hon. member was his worship the mayor?

Mr. Lloyd: Mr. Speaker, my experience was that you removed the red tape and the so-called roadblocks by first informing yourself of what were your responsibilities. Then when you were fully knowledgeable of the problem with which you were dealing, you could easily get the co-operation you required. Granted, there were misunderstandings. This kind of legislation now before us did not exist. Had it existed we would have advanced much more rapidly. That is why I welcome this kind of legislation.

Mr. Eric A. Winkler (Grey-Bruce): Mr. Speaker, I would appreciate the attention of the house on this matter for a few moments. I was very interested in the remarks of the previous speaker, the hon. member for Halifax (Mr. Lloyd), about the days when he was chief magistrate in the city, and how he negotiated the first piece of business for that city with regard to the act in 1957. I understand he suggested the renewal of the arrangement for additional consideration. This, it seems to me, shows the flexibility and general ability of Canadians in political life to get along, because I understand his successor in office today is of another political faith, which makes the entire situation balance out beautifully.

I also noted that the hon. member for St. Jacques (Mr. Rinfret) made mention of the situation with regard to taxation and the relief which would be given to certain areas in the province of Quebec. I suggest to the minister that the time is now here when, in considering suggestions which have been put forward on a national basis, the government should give consideration to allowing as an exemption from taxable income the interest paid on mortgages. The reason I say that to the minister, through you, Mr. Speaker, is that we are again entering a period of inflation. We are at a period in our economy when taxation is becoming terribly burdensome. In most cases I think we will find that this legislation has been, and will be in the future, of great benefit to the workers of the country, who are the backbone of the economy. In an era of inflation and high taxation I think consideration should be given to this particular suggestion so that these people will be in a better economic position, because they are the ones who spend the money and who keep our economy rolling. I think the minister would be well advised to take this suggestion under consideration at the earliest opportunity.

As has been stated, the amendments to the act in general terms are an extension of what had been provided previously by the former government. At this point I must say in reply to the hon. member for Halifax (Mr. Lloyd) that I too had reason, as did other people, to make representations to the previous government when I felt it was necessary. I do not want him to feel that is anything out of the ordinary course today. We will continue to do so. Like the hon. member for Vancouver East (Mr. Winch), who might have included me in his remarks, I too am one of those who would be very grateful for the elimination of red tape which causes great annoyance and frustration to many people.

In this connection I have another matter to bring to the attention of the minister. The office which has jurisdiction over the constituency I have the honour to represent is coming under severe criticism now because one of the inspectors from that office does not offer in a co-operative way the services which are meant to be provided for the Canadian public, services which are meant to be provided for people taking advantage of this legislation. These departments are set up for the benefit of the country and the citizens, and no one man from these offices—I realize they are all human, as are the rest of us—should go out of his way to make the functioning of this act difficult in any area over which he has jurisdiction. But this has been the case. Let me assure the minister that I will not go into specifics in this particular instance because I think that the fewer the people who suffer prejudice the better, and I am sure the matter will be taken care of in due course.

With regard to the terms of the amendments, I believe that the adjustment in thinking regarding support for loans on older homes has resulted in a very excellent measure. It is one of those measures which I supported long before there was a change in government, and this thinking was under way at the time, I am convinced. However, there is one difficulty in the current amendments, and it concerns the designation provision. I feel that the benefits of this amendment should apply across the board without any provision for designation. We have now had some experience of designated areas by government, and it seems to me that we must be very careful

in the way we consider the proposal which is before us at this time.

May I call it five o'clock.

Mr. MacNaught: Mr. Speaker, I wonder whether we could carry on for a few minutes to see if we could finish the debate?

Mr. Winkler: Mr. Speaker, I could easily finish in a very few minutes but there are one or two speakers from this side who are preparing their remarks now.

Mr. Grégoire: Filibustering.

The Acting Speaker (Mr. Batten): 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.

INCOME TAX ACT

SUGGESTED INCREASED EXEMPTION IN NORTHERN AREAS

Mr. Erik Nielsen (Yukon) moved:

That, in the opinion of this house, the government should consider the advisability of amending the Income Tax Act so that Canadian taxpayers residing in the high-cost northerly areas of Canada be allowed an increased personal exemption to that now allowed under the Income Tax Act in order to:

(1) encourage and accelerate population growth in Canada's northern areas;

(2) assist in creating a permanent population in Canada's north;

(3) remove the discriminatory tax burden which now exists as between the northern Canadian taxpayer and those taxpayers living in the more southerly areas of Canada; and

(4) eliminate the hardship now caused to families in the lower income group now residing, and to reside, in Canada's northern areas.

He said: Mr. Speaker, it will probably come as no surprise to hon. members to learn that the subject matter of this resolution was considered by treasury board in 1955, 1956 and 1957 during the last years of the Liberal government of that time. The evidence indicating this emerged in the discussions of the standing committee on mines, forests and waters in 1959, I believe.

The resolution is based on four premises: First, that it is desirable to encourage population growth in that 40 per cent of Canada lying above the 60th parallel and, indeed, the northerly portions of the provinces of Canada; second, that it is desirable as a principle to create a permanent population in Canada's northland as opposed to accepting the transitory growth to which the north has been subjected over the years; third, that there does exist discrimination in the tax burden which is now borne by residents of southern Canada compared with that borne by those who live in the more northerly areas of Canada; fourth, that there is recognition that there does exist hardship with respect to families in the lower income group who reside in Canada's north.

When I spoke earlier this afternoon I had occasion to refer to the higher costs of construction. Where a home can be constructed for $10,000 in the more southerly centres of Canada, that same home will cost $14,000 in the more northerly areas of Canada above the 60th parallel. Food costs in northern Canada, expressed in terms of percentage, are some 27 per cent higher than they are in the more southerly areas of Canada.

The government itself recognizes that it does cost more to live in Canada's north because several years ago they established the principle of compensating civil servants for the loss of wages that would occur by reason of the higher cost of living in the northerly areas as a result of their being required to move there. If a Department of Transport employee, an employee of the Department of National Defence or, indeed, an employee of any department of the government was required to move from say Vancouver, Edmonton, Winnipeg, Toronto or some other city to Whitehorse, Dawson City, Yellowknife, Inuvik or Alert, the government recognized that it would cost that civil servant more to live in those northerly areas. Therefore the government implemented a system of compensation known as isolated post allowances, which is still in existence.

Isolated post allowances are based on the assessment of four basic living factors as opposed to living in the southerly areas of Canada. The government takes into account the difference in cost of heating and lighting in the north as opposed to southern centres. The government also takes into consideration when paying these allowances the difference in the cost of food. This is a separate factor. In paying these isolated post allowances the government also takes into account factors of isolation, such as whether or not there are those social amenities available in the north as are available in the more southerly areas of Canada.

Upon these factors various positions in the north are graded, and in the case of a married man a maximum of $2,600 over and above his basic pay and allowances as a civil servant is paid to the civil servant who is posted to the north. Mind you, that civil servant still pays income tax on his isolated post allowance, and this has been a matter of complaint on the part of the civil servant for several years. On the one hand, the government pays him an allowance to compensate him for the difference in the cost of living in the north and, on the other hand, takes it away in the form of income tax. It has been argued, and supported by several

public organizations in the north, that the same principle should be applied not only to civil servants who live in the northerly areas of Canada but also to other Canadians, because those other Canadians who are carrying out jobs on all fours with those of civil servants in the north are subjected to the same increased costs of living as the civil servant.

If the government recognizes the principle of paying isolation allowances to civil servants in the north, I suggest there is a good deal of merit to the argument that the same principle should be applied to all Canadians who live in northern Canada. Otherwise, instead of encouraging a permanent population growth, which in turn would stabilize the economy of northern Canada, a desirable objective, what we have is a transitory population, people who go to the north for a year or two years, perhaps longer but not much, and who then move away because they find they cannot cope with the increased cost of living. Only those members of the northern communities who are in the middle or upper income brackets find it comfortable to live in Canada's north.

This is one of the reasons why I suggested to the Postmaster General (Mr. Nicholson) that in revising the National Housing Act specific attention should be paid to existing northern conditions which prohibit buildings of a standard comparable to those in southern areas. Because of the pioneer and undeveloped nature of Canada's north it is essential that the government consider all national legislation in the light of northern conditions.

There are those who will say that the Income Taxt Act is a national act and therefore must have national application. Those who say this will put forward the view that if an increased personal income tax exemption is granted to northern residents justification can also be found to apply the same tax alleviation to people in Newfoundland and the maritimes, because their individual income earning capacity is less than that of people in Ontario. In the light of the greater unemployment in the province of Quebec, I suppose the same argument can be said to apply particularly there.

But this resolution is based fundamentally on the premise that it is desirable to develop Canada's northland so that it can make its full contribution toward national development. There are many today who took upon Canada's north in the same light as the opponents of the construction of the railroad to the west coast looked upon the western part of this country at that time. My friend, the member for the Northwest Territories (Mr. Rhéaume) mentions Great Slave lake. I can recall the vote in this house at that time when those who now sit on the government side voted against the construction of that railway.

Then, I saw a very interesting article in the Montreal *Gazette* reporting on a meeting the Minister of Northern Affairs and National Resources (Mr. Laing) addressed in Vancouver, a meeting of the Vancouver chamber of commerce, which indicated that the minister, at least as one occupant of the government benches, had caught the vision. He has caught something of the vision that had been so much ridiculed and derided by members on that side when they were in opposition. According to this newspaper article the minister had caught a vision which they described as a booming vision, which is indeed encouraging, particularly in the light of the vote on the Pine Point railroad, which hon. members did not seem to think was a good idea, and in the light of a certain pattern that seems to be emerging so far as northern development is concerned, since this government has been in office.

I will be quite candid and say that I endeavoured, as the committee will show, to have this matter reconsidered by treasury board, at the time the standing committee on mines, forests and waters was sitting in 1958-59. However, I did not receive too much encouragement at that time. I am hoping that if the minister has really caught the vision, as I think he would like to do—but I feel he is prevented from doing so by his colleagues in the cabinet—then I can count on him for support. I see his parliamentary secretary is in his seat, and I hope he will participate in this debate in support of this motion. I can inform the parliamentary secretary, as I am sure he knows after travelling in the north, this motion is supported by every northern resident. They are up there as the caretakers for Canada, the caretakers for 40 per cent of Canada, and if the proper approach is used this northern part of the country will make a substantial contribution to national growth.

One way in which we can encourage the growth and development of that part of the country is to adopt a policy for attracting people. The potential is there. The mining potential is there, and I do not think anybody will disagree with that, least of all the Minister of Northern Affairs and National Resources or anyone else associated with him in his department. Certainly he is selling this idea of northern development to private investment, but the government has a part to play. We had a policy when this party was in office, a policy of partnership, whereby government and private industry worked hand in hand in the development of the Canadian north. A pattern seems to be

emerging now, and the position is that private enterprise seems to have the major part of the responsibility. Being a northener, I am of the positive opinion that government has a very definite part to play in the building of the north, and that is to create an atmosphere which will attract investment.

The manner in which the government creates that atmosphere is subject to varying points of view. I feel that the program which was followed by this party when it held office proved that long range programs for the establishment of communications, the construction of highways and the like, will assist in creating an atmosphere that will attract the necessary investment to open northern Canada. One of the best methods for attracting that investment and creating the atmosphere which will be conducive to the permanent development of the north is to make it a desirable place in which to live, to equalize the cost of living in the north with the cost of living in similar southerly areas. We do not have all the social amenities that exist in Ottawa, Vancouver and Winnipeg. These differences can be borne by the northern resident if his living conditions are reasonably comfortable and if he knows that the contribution he is making as a pioneer is being appreciated by the rest of Canada, and particularly by the government.

One of the methods which I suggest in the resolution is to equalize the tax treatment of northern residents. As I have said, treasury board refused to give such serious consideration to northern areas. However, the merits of this resolution indicate it is something that just cannot be sloughed off by the house or by the government. It may be that the government and the house are not prepared to accept this resolution and I have every reason to expect it will be talked out tonight. Perhaps there is justification for this, because it is something the house cannot accept within the space of one hour. I suggest to the government however that they resubmit the merits of this resolution to the treasury board in the light of the remarks made here and in the committee as well. I suggest they assess it in the light of the remarks that have been made in the various sessions of the Yukon legislative council and, although I have not checked them I am sure my hon. friend will, in the light of the remarks that have been made in the council of the Northwest Territories. I hope the parliamentary secretary to the minister will speak on the motion and give some indication of the government's feeling. Perhaps the parliamentary secretary to the Minister of Finance (Mr. Gordon) will speak as well. I should like to hear from my friend, the hon. member for the Northwest Territories. I do not want to occupy more of the time of the house, so I would commend to the house the merits of the resolution in the hope the government will see its way clear to investigate fully the suggestions set forth in the resolution.

Mr. Turner: May I ask the hon. member a question? I notice that he suggests as one of the purposes of the resolution the elimination of hardships, for families of lower income groups. I should like to ask him whether or not the increasing of the exemption for personal income tax in the north would be of any help to the great majority of people in the north, the Eskimos and Indians, who are not earning sufficient money to come within the income tax provisions?

Mr. Nielsen: Well, this gets to the root of the formula which would accomplish the objective set forth in the resolution. I purposely steered clear of suggesting a formula to the house because treasury board considered several possibilities. One possibility considered was basing such exemption on the same principle as the isolated post allowances are based, namely a sliding scale whereby at Alert full isolated post allowance amounts to $2,600 for a married man, whereas in Whitehorse a married man receives $1,140 as isolated post allowance. This is one formula. There was another formula under which every worker would receive a flat exemption of 25 per cent of the tax payable. This, perhaps, would not accomplish the equality that is implicit in the hon. gentleman's question, but the formula on the sliding scale would accomplish that objective.

I am not going to complicate matters by suggesting a formula this afternoon because I am sure the capabilities of the personnel making up treasury board—I am not speaking of the cabinet personnel but rather the civil service personnel—are much greater than my own, and if any formula is devisable it is those civil servants, highly qualified as they are, who are best suited to devise it.

Mr. Winch: May I ask the hon. member a question because I am inclined to be rather sympathetic to the principle of his motion. As he appears to have some knowledge of what goes on in treasury board, is he in a position to give the house any explanation as to why treasury board, under the previous government, rejected the principle of what he has now in mind?

Mr. Nielsen: I assure the hon. member I have no knowledge that he does not have of what goes on in treasury board, but while the evidence was being taken in 1958-59, in the standing committee on mines, forests and waters, if the hon, gentleman will refer to the evidence of the then deputy minister of

northern affairs, Mr. Gordon Robertson, he will see he set out the reasons there, perhaps not fully, but certainly sufficient to indicate why treasury board did not accept the resolution.

My recollection is that one of the reasons given was that the Income Tax Act is a national act; it must have national application and there can be no difference of treatment between people who live in Vancouver and Halifax, and people who live in Inuvik and Whitehorse. I am suggesting that exceptions can be made and that we can set different standards in different parts of the country, as we did with the National Housing Act and other pieces of national legislation.

Mr. Winch: Would you also extend this principle not only to the Yukon and the Northwest Territories but to Labrador and Ungava?

Mr. Nielsen: Yes, the isolated post allowances system is not confined to areas above the 60th parallel. It is applicable to isolated positions as such, and is paid at several points below the 60th parallel in northern parts of the provinces, and my suggestion would be applicable to where isolated post allowances are properly paid. I do not want anybody to get the idea that I am against these allowances, because they bring the pay of a civil servant up to what it would be if he had been in a southern area. In areas where recognized hardship exists, and is recognized by the government, I am suggesting the same principle should apply to all citizens in those areas.

Mr. Benson: Could I ask the hon. member a question?

The Acting Speaker (Mr. Batten): I can understand the hon. member's desire to ask a question, but the time allotted to the hon. member for Yukon has expired.

Mr. J. E. Lloyd (Halifax): Mr. Speaker, I rise to comment on this motion because some reference has been made by a comparison to a situation existing in the maritimes. I can only assume that the hon. member for Yukon (Mr. Nielsen) was referring to recent proposals to exempt companies and business entrepeneurs, willing to build industries in designated areas, from income tax for a period of years, and I suppose he was hoping to find some analogy to the situation he was describing in the north.

It is only fair to point out that the policy of the government in this regard to designated areas, wherever they may be, is to attempt to take advantage of existing capital investment by municipalities in schools, in public services such as sewer systems and water systems, indeed in a variety of public services, and to take advantage of a variety of public investment which could be well lost without this stimulant. It is a different kind of thing to talk about government policy with respect to encouraging redevelopment of a declining area with large capital investment, than it is to talk about opening up the development of a new territory and encouraging development there.

The hon. member has set forth some very worth-while objectives to be attained on behalf of the district he represents. Nobody can quarrel with these objectives, but it is the inadequacy of the tool with which he proposes to achieve them which bothers me. He hopes to encourage and accelerate population growth in northern areas by the simple device of a personal tax exemption.

Mr. Nielsen: Among others.

Mr. Lloyd: He does not say "among others" in his motion, and I must speak to his motion upon which I presume he has spent very careful thought. Within the limits of his understanding he has come up with a suggestion that may provide some answers. I am trying to help the hon. member perform his job a little better by pointing out to him that there is certainly nothing wrong with suggesting that people who find an opportunity in Canada's north to develop a resource will certainly examine the economics of the development before investing their private capital, and will find they must pay incentives to attract skilled workers to the region. You will find that the operator who knows what he is doing will attempt to fix his salary rates at a point where, after income tax, they will be attractive to the kind of skills he wants in that region.

There may be exceptions to this general rule, but generally speaking, if we have any kind of good common sense in the management of the private enterprise sector of our economy, the end result is bound to be that wage and salary levels will be fixed at that point where the private entrepreneur calculates he can induce the skills he requires for his particular undertaking in the north region.

I have no quarrel with the hon. member when he suggests that civil servants who are faced with additional costs in the north, and with expenses which they would not normally meet in the developed central and southern parts of Canada, should be adequately compensated to put them into a position of equivalence with their fellow civil servants in the particular department in which they happen to be engaged. There is no quarrel with that; but I think you can accomplish more for the development of the resources of the north in other ways, and

with much more adequate tools of government at your command, tools that can be employed to accomplish these objectives.

We are learning much about the economic bases of regions. Only today we were discussing the matter of urban renewal. You cannot have good urban renewal development unless you undertake some practical studies of the economic base of the blighted region which you are redeveloping, and the same thing is true of the northern sectors of this country.

Preceding development, there must be economic feasibility to the development of a resource, and you must be able to demonstrate this to investors, whether it be investors from government in the field of social capital, or whether it be private entrepreneurs who invest their money and take the risks. This means a pretty extensive and well developed examination of a resource in a practical way, if one hopes to encourage and accelerate population growth in Canada's northern areas. You just do not put people there and then keep them there. There must be opportunities for work and employment.

Similar proposals have been brought forward from time to time over the years. In fact the hon. member referred to this being before treasury board in 1957, or in 1956.

Mr. Nielsen: It has never been before the house before.

Mr. Lloyd: It may not have been, but I would suggest to the hon. member that the proper place to bring the proposal is before the house. I put it to him: Why was it not brought before the house between 1958 and 1963? I do not know why. He had an opportunity in those five years to do so. I presume he tried, and I assume he will explain why he was not successful. He is always anxious to tell us about our shortcomings on this side of the house but I find he is inflicted with the same blindness as he accuses us of possessing.

Mr. Nielsen: On a question of privilege, I was my unusually nice self this afternoon and I did not accuse the government of any shortcomings in this regard. Indeed, I said quite frankly I had endeavoured to raise this matter when I was on the other side of the house, and if the hon. member will read the record—

Mr. Lloyd: I appreciate the entirely gratuitous comments of the hon. member for Yukon. They suggest to me that he believes he can hope for more to be accomplished in the way of financial assistance in the development of northern Canada by making representations to this side of the house than by any steps he might have taken when he was a government supporter, and it is for that reason he was so gracious on this occasion.

Mr. Nielsen: There has been no evidence of it yet.

Mr. Lloyd: Besides, I am only a backbencher. When you get down to the benches in front, there are men of great experience and ability to whom the hon. member can make his plea.

I understand the research staff of the royal commission is now examining this question and it is possible that the commission in its report will deal with the subject. I have no indication of the views of the commission, but I am informed that some former ministers of finance were not convinced of the efficacy of this proposal. This motion seems to assume that a person residing in northern Canada is at the present time being discriminated against under the income tax law as compared with a person living in southern Canada. He bases this on the assertion that a resident of northern Canada must incur higher costs which are not recognized by the income tax legislation. This would seem to suggest that personal exemptions under the Income Tax Act be directly related to some basic cost of living index, and increased where costs exceed a certain basic amount. I think this is the idea the hon. member was struggling with. If this were done, it would follow in logic and in equity that exemptions should be increased not only with respect to such high cost areas as there may be in the north but also with respect to high cost areas elsewhere in Canada, such as the larger metropolitan areas. There is certainly a notable differential in school teachers salaries in metropolitan areas as compared with areas outside. May I say that anybody who has served on a city council and who has dealt with tax matters knows there is a vast differential between salaries paid in metropolitan areas as compared with those outside the borders.

Presumably the exemptions would have to be established annually as a result of cost of living studies. Such a change would create anomalies which would bring the tax system into disrepute, cause confusion to taxpayers and tax collectors alike, and result in a significant reduction in revenue. If you need the revenue, then obviously if you forgo it in one place you have to find it somewhere else. Nowhere in the statement made by the hon. member was any suggestion made as to how the lost revenue would be made up, unless he thought that with the development of our northern resources there would be sufficient yield to the Canadian economy to make it worth while. If that is what he had in mind, I think he should have said so. But the hon.

member certainly did not say so in the course of his observations on the resolution. If the principle of relating the personal exemptions to the cost of living in particular areas were adopted and followed to its logical conclusion it might be reasonable to lower the exemptions for taxpayers who resided in low cost areas. I am sure most hon. members know from experience that some of these low cost areas are not at all remote from municipalities in which living costs are quite high. It seems to me that to allow different exemption levels to taxpayers in the same province, or indeed in the same country would be completely unacceptable, yet such a system would be almost inevitable if personal exemptions were tied to area living costs.

The motion alleges that the additional allowance would eliminate the hardship caused to families in the lower income group now residing in Canada's northern areas. I suggest that it would not have this result and, in fact, by increasing the disposable incomes of the taxpayers in the higher income brackets it might eventually drive prices higher, thus penalizing their less fortunate neighbours. Even if the change suggested in the motion could be confined to certain defined high-cost northern areas it would be of no help to people in the very low income groups, because they are not taxable.

Mr. Nielsen: Would the hon. member permit a question? Is he expressing the views of the Liberal government?

Mr. Lloyd: I very seldom have an opportunity on this side of the house to take part in our discussions—

Mr. Diefenbaker: Why?

Mr. Lloyd: It is because of the traditions of this house; a recognition of the opposition members. But the frequency with which the hon. member for Yukon (Mr. Nielsen) wishes in a pedantic way to display his knowledge of all things at all times in this house convinces me that he has already spent enough time on his feet. I suggest he needs to do a little more research work in his office so as to avoid wasting the time of the house.

I was saying that even if the change suggested could be confined to certain high cost areas it would not help people in the very low income groups, because they are not taxable anyway. Also it would give the greatest dollar relief to the wealthiest income taxpayers, and the least to the low income taxpayers. I do not think the hon. member realized this when he hastily put together his notes in support of this resolution to indicate his concern about the development of the Yukon—

Mr. Nielsen: Of the north.

Mr. Lloyd: —or of the north, as, I agree, he should be concerned. The motion also seems to assume that the higher costs said to be incurred by residents of northern Canada are not at present compensated for to a greater or lesser degree by higher remuneration in the form of salaries, wages, special allowances or fees that would be paid or charged in lower cost areas. I doubt if this should be assumed. Although I appreciate the problems referred to in the motion, I believe that the solution suggested would be neither practicable nor fair.

I will say this in conclusion: I do not quarrel with the objective, which is to encourage and accelerate the growth of population in Canada's northland. It seems to me however that proposals of the kind now being put forward are no substitute for the painstaking research work which is going on in the department of northern affairs and in the other departments of government. The hon. member for Yukon seems amused at this need for practical engineering studies designed to accelerate population growth in the north. I suggest it cannot be brought about by such a flimsy measure as the hon. member is proposing.

Mr. Nielsen: Ever been there?

Mr. Lloyd: It shows that the hon. member is more concerned with publicizing his own image than with accomplishing the purpose he has in mind.

Mr. Bert Leboe (Cariboo): As there are only 20 minutes left I will not take the time of the house for very long.

I have listened with a great deal of interest to the words of the hon. member for Yukon (Mr. Nielsen) and of the hon. member who has just resumed his seat. I think we should give credit to the hon. member for Yukon for bringing this matter to the attention of the house. I think it is a problem which certainly does confront the people who live in our northern areas.

There are, without doubt, some forms of relief which are given to the people in the northerly areas of the provinces. Speaking particularly of British Columbia I can refer to one important form of relief—the fact that we now have an equalization of power rates which makes electricity available at the same rates whether it is used, say, in Fort Nelson or whether it is used in the Vancouver area.

Consideration is being given, and I hope it will result in something being done in this respect, to the question of petroleum products. I would hope that the equalization of the cost of petroleum products, gasoline, fuel oil, and

so on, would be a reality in British Columbia within a matter of a year or two. Certainly there is a great deal of work being done in that regard now, and I hope we will get to the point where this work will bear fruit. Other considerations are also given, in the form of freight rates on the provincially owned railroad.

The federal government, in the conduct of their affairs in relation to the Northwest Territories and the Yukon, have a particular responsibility to the people in those areas, and certainly they are going to have to find some way of solving this problem of equality, whether this is done by subsidized freight rates, by tax concessions—as is outlined in this resolution—or by some other form of compensation. Certainly the people who live in these northern areas are being discriminated against with regard to their cost of living. They are the pioneers who are opening up the country; they are moving as a vanguard into the far reaches of Canada and are developing very, very valuable raw materials and national resources. We would hope that the government, in giving consideration to the motion moved by the hon. member, will see fit to look at all the avenues in which relief can be given to these people who have taken it upon themselves to weather the hardships of the hard winters and the long nights. We would hope the government will be aware of their particular problems and will therefore bend themselves very, very urgently to providing some relief to these people who are pioneering the northern developments.

Mr. Gene Rhéaume (Northwest Territories): Mr. Speaker, if I may—

Mr. Deputy Speaker: Order. Is the hon. member rising on a question of privilege, or a point of order?

Mr. Rhéaume: Mr. Speaker, I would like to speak on this resolution, if the opportunity were given to me.

Mr. Deputy Speaker: The hon. member for Northwest Territories (Mr. Rhéaume).

Mr. Rhéaume: Mr. Speaker, it was a wonderful experience for me to be present this afternoon as the hon. member for Halifax (Mr. Lloyd) delved into his extensive knowledge of northern conditions.

Mr. Nielsen: His abysmal knowledge.

Mr. Rhéaume: I feel a bit like a midwife at a time like this. I noticed the parliamentary secretary to the Minister of Northern Affairs and National Resources (Mr. Turner) smile with that great birth joy that swept over him as another great expert on northern affairs on the government benches was born. I would suggest we have an excellent example today of one of the reasons the northern people are pessimistic when they look to the present government to try and get anything done, and I sincerely urge the Liberal government to get rid of this vague sort of belief they have, that they need do nothing for the country at all but just remain in power, and that by some strange alchemy the ordinary people of the country are going to be more prosperous because of it. Come off it, I say to them; quit pretending God is some kind of Grit to work wonders, and you need do nothing. The government's record in the north has never been good; it has never shown any enthusiasm, any interest or any understanding. One need only think back a few years to that slogan of roads from igloo to igloo, which was designed to ridicule a very important program; or one has only to look back to a couple of months ago to the shoddy handling of the Eskimos in northern Quebec. This government is quite prepared to put them on the bargaining table and play some kind of Ungava roulette with Mr. Lévesque.

Mr. Deputy Speaker: Order. May I please remind the hon. member that we are dealing with a resolution listed as No. 23 on the order paper.

Mr. Rhéaume: Certainly, Mr. Speaker; I am attempting to show that the government need not be complacent about what it has done in the north, and when a resolution does come along that offers some hope for making some important changes, they should consider it seriously and not subject it to the facetious and frivolous kind of statements that were made a little earlier by a member who supports the government.

We are perhaps a little pessimistic, too, when we realize that this resolution must be considered initially by the Minister of Finance (Mr. Gordon), whose record of enthusiasm for the Canadian north leaves something to be desired. I have in my hand the report of the royal commission which looked into tax incentives, among other things—

Mr. Nielsen: And the Gordon commission.

Mr. Rhéaume: —and the Gordon commission, certainly, on the prospects. We do not need to be very complacent about what kind of a reception anything to do with the Canadian north will get from the Minister of Finance. The minister, however, has written several books. No one has ever accused him of actually practising what he writes, or even believing in it himself; but I recommend this particular resolution to him and urge the government honestly and sincerely to consider it.

I for one do not take responsibility for anything that went on in this chamber prior to

April 8, 1963, and I am not prepared to be put off by the hon. member for Halifax (Mr. Lloyd) who, after 14 months of Liberal regime says, "Well, you fellows didn't do anything either" and adopts that kind of approach. I am not prepared to accept that, and I urge the newest of our northern experts not to say these things around the country about an important resolution like this.

I want to add my support in the strongest possible terms, as a northerner, for the principle that is recommended in resolution No. 23 and I want to urge the parliamentary secretary to the Minister of Finance (Mr. Benson) to give it some consideration and not dispense with it out of hand.

Mr. Nielsen: Too bad the minister isn't here.

Mr. Rhéaume: I want to offer a few suggestions as to how it might be done, and how it might be done easily. Some reasons are listed in the resolution, or are obvious from its wording, but there are some others and I want to speak for just a moment about two of them. I am going to leave plenty of time for the house to approve the resolution, if that is its wish.

Mr. Nielsen: John is going to talk it out.

Mr. Rhéaume: The first important reason, I think, was touched on by the hon. member for Yukon (Mr. Nielsen) when he said the government has implemented a special program of allowances for federal officers in the Canadian north. This allowance gives upwards of $2,100 a year in addition to basic salary. The northern allowance, as it has come to be called in the country, is received monthly as a part of the pay cheque of federal government employees. They pay income tax on it, but that particular additional bonus is a recognition of higher costs in that part of the country. I can recall a few years back when I lived in the far north, around the mouth of the Mackenzie river, that it was not unusual for an individual to have to pay a fuel bill of $100 a month during the winter months for fuel oil. It is not an exaggeration to say that electricity may cost a private individual $50 or $60 a month during the dark days of the winter. Food prices were out of this world, to the extent that anyone not in the employ of the federal service just went without. I can recall talking to employees whose families had not had any eggs, apples, oranges, lettuce, tomatoes or fresh foods of any kind for well over 18 months, because apples were $3 a dozen, so were oranges, and fresh eggs were $1.65 a dozen. These are the facts of life, as any northerner will tell you. Any real northerner will not be put off by such statements as: "If you live in Toronto you have extra expenses too". I guarantee that that sort of thing will not only be rejected out of hand by true northerners, but it will also do the minister of northern affairs no good when I mail copies of *Hansard* to every person in the north.

The northern allowance does have quite serious drawbacks. It drives a wedge between federal government employees who are in receipt of it and others who are not. It is a critical issue because there is a growing rift between federal civil servants and those who are not federal civil servants, which is always the case whenever there are special benefits to civil servants which are not general throughout the whole populace. This, of course, is a completely arbitrary administrative decision. In some communities northern allowance was decreased. In some cases the employees were advised at the beginning of the month that the allowance would be reduced, and some employees lost $40 a month, with absolutely no recourse open to them. As I say, this is an administrative decision which was taken in an arbitrary manner and without consultation. Salaries in some cases were reduced by as much as $360 a year to $480 a year. This allowance, which recognizes the high cost of living in the north, was reduced without consultation, and from the point of view of the civil servants themselves they would prefer that their salary be not subject to revision or to the whimsical dictates of a government which is attempting to prune its costs. You could eliminate the northern allowance by allowing an increased personal exemption, with a 25 per cent cut in taxes across the board.

The suggestion which was made earlier today by the hon. member for Halifax (Mr. Lloyd) I feel cannot be taken too seriously, and I do not think it was meant to be anything more than a time waster. There are ample precedents for the provision of special incentives for undeveloped areas. For example, one need only consider what happened in western Canada a few years ago when the federal government encouraged people to settle and to set up homesteads. For as little as $5 rent 160 acres was provided, and this proved to be a way to open up the country.

Another important reason why this resolution should be approved borders on a highly dangerous area of discussion. As the hon. member for St. Lawrence-St. George (Mr. Turner) suggested, many of the residents of the north are not taxpayers at all. For example, the Indian and Eskimo people do not earn enough to pay taxes. These are the people who require most of the services which are supported by taxation. There is a small minority of people in the north, who tend to be among the non-Eskimo and non-Indian group, who pay most of the taxes. They are

such people as small businessmen, workers in the mines, successful trappers and fishermen. The civil servants are compensated through payment of northern allowance, but I would suggest that tax relief is absolutely essential if people are to remain in that part of the country. This resolution has suggested one compensation could be effected by increasing personal exemptions. I suggest it would be equally easy merely to allow people in the Canadian north—the Yukon and Northwest Territories—to compute their taxes using the same schedules and forms used by anyone else in Canada, and then having arrived at the computation of tax payable, deduct 25 per cent as bonus for having the courage to go into Canada's hinterland and help develop it. I reject the suggestion that would have to be done elsewhere. There are elsewhere provincial governments with various forms of tax relief which they can make available. In the Northwest Territories and the Yukon the federal government still carries the bulk of the investment and bears the bulk of the responsibility for developing those areas intelligently.

In conclusion, and to allow the house time to approve this resolution, I want to suggest to the government, though I realize they cannot pass the resolution, not just to reject it but to refer it to treasury board. There is general support for this measure in the Canadian north. The parliamentary secretary to the Minister of Northern Affairs and National Resources knows this is true. This would be a generally accepted measure in the north which would bring a great deal of relief to the people there. It is a measure which has been sought for many years, and it might even rewin a seat for the Liberal party at the next election.

Mr. John N. Turner (Parliamentary Secretary to Minister of Northern Affairs and National Resources): Mr. Speaker, I think no better way for us to rewin both seats at the next election has just been demonstrated this evening than by the two speeches made to the house by the hon. members for Yukon (Mr. Nielsen) and the Northwest Territories (Mr. Rhéaume). I realize that we will not have time to discuss this evening in detail the question of cost equalization, but it could be raised on the estimates at some future time.

In the few minutes allowed to me this evening I should like to say that the reason we cannot accept this resolution in its present form is that, although its prime purpose is to eliminate hardship among the lower income groups in the north, its effect would be the contrary because it would benefit only those people in the north who are already within the income tax brackets. To increase personal exemptions would mean that those people in the higher income groups would also have an increased personal exemption, which would be of no benefit at all to thousands of northerners, particularly the Eskimos and Indians, who do not come within the ambit of the Income Tax Act because they do not earn enough money.

In terms of incentive, the incentive we should be looking for is the incentive to bring about industry in the north, to provide more employment for the people there. We should provide capital investment stimulus, a write-off in the case of new mineral and petroleum industries, equalization of transportation costs, and equalization of certain freight rates. That is the type of thing which would do much to equalize the cost of living in the north, rather than raising the personal exemption of those people now living in the north.

Mr. Deputy Speaker: Order. The hour appointed for the consideration of private members' business having expired, the house will revert to the business interrupted at five o'clock.

BUSINESS OF THE HOUSE

Mr. Deputy Speaker: It is my duty, pursuant to provisional standing order 39A, to inform the house that the questions to be raised at ten o'clock p.m. this day are as follows:

[*Translation*]

First, the hon. member for Joliette-L'Assomption-Montcalm (Mr. Pigeon): Canada's centenary; appointment of a member of the national commission.

[*Text*]

Second, the hon. member for Kootenay West (Mr. Herridge): Peace river, authority for flooding behind dam.

[*Translation*]

Third, the hon. member for Lotbinière (Mr. Choquette): protesting the attitude of some radio stations.

[*Text*]

NATIONAL HOUSING ACT

AMENDMENT RESPECTING RENEWAL PROGRAMS, PUBLIC HOUSING PROJECTS, ETC.

The house resumed consideration of the motion of Mr. Nicholson for the second reading of Bill No. C-102, to amend the National Housing Act, 1954.

At six o'clock the house took recess.

AFTER RECESS

The house resumed at 8 p.m.

Mr. Eric A. Winkler (Grey-Bruce): Mr. Speaker, when this debate was adjourned at five o'clock because of private members' hour I was referring to the action being taken by the government respecting the application of N.H.A. loans to older homes, and I should like to elaborate on that point for a few moments. May I reiterate that I am quite sure this bill will receive rather speedy consideration by the house, so the minister may be at his ease and not be concerned about the few brief interventions that will be made this evening. I note that so far 28 government measures have been adopted. I think we are doing very well in the house, and this measure will receive the same approval.

With regard to the application of mortgage funds to older homes, I think the minister has made a very notable step in the right direction, but I think the approach is wrong in that this provision will apply only in designated areas and where the federal, provincial and municipal governments have entered into an agreement. I recognize readily the reason for moving in this way and I think everyone on this side of the house recognizes this point. Had such action been taken many years ago prior to the rapid urban growth following world war II, I believe many of the situations that have arisen would not have occurred. For instance, there was the great sprawl of the urban areas away from the central concentrations of population, which created educational and commercial problems, and the housing problem, of course, with all its complexities so far as municipal services are concerned and other matters pertaining to this growth. I feel that some of the areas that will now be affected by this provision would have maintained their position. I think that money would have been spent to maintain and improve them and therefore, so far as the taxpayers are concerned, the cost would not have been so great.

But let us move on to the situation as it is today. As I said this afternoon, certainly I was aware of the problem when we on this side formed the government, and I did make representations in this regard at that time. But that does not stop me from expressing myself this evening and endeavouring to impress the minister. Many older homes in smaller municipalities and towns would benefit if this measure applied, but the thinking, of course, involves a much different type of area. In other words, an area within a large urban centre has to be designated a slum area before the amendment to the act can be applied. As I say, the minister is certainly moving in the right direction, but in making this change he has not in my opinion gone far enough. I know that not only my own home town, which is small in relation to the areas he is thinking of in this regard, but hundreds of others would benefit greatly if this provision covered them.

I am thinking this evening of the working people of the country who could have taken advantage of this provision in a most beneficial way, but who have availed themselves already of the opportunity to build new homes. In my view this has not provided the greatest benefit to the economy because some of these people have had to jeopardize a great many years of their lives in order to carry the charges that go along with the construction of these new homes under the terms available to these people.

I also mentioned this afternoon the matter of tax abatement. I will include that in my summary, but at this time I will move along to another phase of the legislation which I think is also very good and which we will probably find satisfactory when the minister explains it. I refer to the new section 36B where reference is made to the acquisition of existing buildings in order to convert them for school or university uses. I have discussed a specific problem with the minister and I believe this particular section will apply. I am sure it will be a very valuable measure in this regard.

With the rising costs of education and the increasing demand for higher education, universities and their boards in most cases find themselves in difficult circumstances in fulfilling the programs they have laid out for themselves and meeting the goals which must be attained in order to keep pace with the educational requirements not only of today but of the future. As the directors of these universities plan their program for the coming years, I hope the minister will see fit to expand the application of this section respecting the acquisition of property, because in many cases property that is available today will not be available five or ten years hence at which time the property, if acquired now, will be very valuable to the functioning of these institutions. As the clause is framed I think it will probably meet this situation, but I think it should be clarified in the minister's own words.

Then, the situation to which I have made reference involves a national housing subdivision of some years ago, and I think the disposition of this land by the corporation will be entertained in the not too distant

future. Where such circumstances exist, I think it would be wise for the minister to go on record and say that such an institution of learning will have priority for the acquisition of this land and the buildings existing thereon.

Now, Mr. Speaker, I should like to present a brief summary of my points before I resume my seat. I would say this:

1. The loans for the purchase of older homes should have general application rather than the specific application referred to in the amendment.

2. The interest on the mortgages should be allowed as a reduction from taxable income. I should like to add a word here. We are well aware, as I am sure the minister is, of the application of recent legislation in the United States. It is generally on a much broader base than I suggested here, but certainly we must start somewhere. In this regard, I am making this recommendation to the minister because of the situation I outlined with regard to the worker who has to prejudice his income position for so many years to purchase a home and who, we all consider, is the backbone of the Canadian economy. We must do everything in our power to keep that man in a strong and flexible position. This is one area in which the federal government could make a valuable contribution by following my suggestion.

3. I should like the minister to explain, perhaps not now but when we get into committee, the situation with regard to section 36(b).

4. I would recommend to the government the establishment of a department of urban growth and development for the benefit of the planning of communities such as the hon. member for Danforth (Mr. Scott) referred to earlier today. I believe that in a country such as ours, with the potential growth we have, with the great wealth we have and the future everyone knows stands before us, we should be prepared to do everything in our power to see that this growth is established on a proper basis for the citizens of Canada.

Mr. Lloyd Francis (Carleton): In introducing this legislation the minister indicated that it represented a substantial shift in the philosophy of the legislation, and in its emphasis, by the program which Central Mortgage and Housing Corporation, as the instrument of government, will be undertaking in the period ahead. I am sure that people who review this period, in writing the history of social legislation and social development, will mark this series of amendments to the housing act as one of the most significant developments in terms of the obligation that lies upon us today. So far, as the minister pointed out very well, the emphasis has been on new, single family housing built in the suburbs to satisfy the immediate demand for housing accommodation, which has been accumulated as a result of a long period of under construction, and to compensate for the new family formations that have taken place.

This phase, which has occupied something like 90 per cent of the units constructed so far, is coming to an end. The emphasis is now shifting to urban renewal and public housing, and properly so. As the hon. member for Danforth (Mr. Scott) said this afternoon, there is no greater challenge ahead for any government or for any party than to meet the problem of the development of our cities and the redevelopment of the core of the cities, and to provide a proper balance of the required housing accommodation for different types of families in our society. The people who did the forecasts of population trends for the royal commission on Canada's economic prospects indicated that in something like two decades approximately 80 per cent of our population will be living in a fairly small number of large metropolitan centres. This is just one way of expressing what the obligation is.

We are now beginning to see the consequences of this tremendous overemphasis on single family accommodation, the three bedroom bungalow in the suburbs. One result has been the creation of some very fine, attractive new suburbs. This is where our children are being born and a large part of our population is being reared. However, the suburban communities which have been built this way do not have an adequate cross-section of the population. There has been a tremendous demand in these communities, for example, for schools. I predict that this demand is in excess of the long term requirements of many of these areas. This, in turn, comes back to the defect in the legislation, which should have placed a proper emphasis on multiple accommodation and proper emphasis on public housing in particular, which is needed.

These amendments mark a milestone in the development of our philosophy in terms of what our legislation is devised to do. We all know that in this country a matter like housing, as the minister so well indicated, involves a co-operative partnership of municipal, provincial and federal authorities working together to solve a problem which must, in the first instance, be initiated at the municipal level. There is, as other members who participated in the debate before me have indicated, a reluctance, which is frequently difficult to understand, by the municipal authorities to initiate public housing

projects. There are many reasons for this. In many instances, the starts that have been made have not been as good as they should have been.

Some of the starts on public housing, and I am referring to the city of Ottawa, have been made without adequate planning of recreational areas adjacent to the public housing. Some of the projects that have been undertaken have not been properly inspected in the course of construction, so the standards of construction dropped. The accommodation which now exists is not as good as it should be. These are technical defects which we can remedy as we go along.

The important thing at this stage is to set the legislation in perspective to create the initiatives to do the things that have to be done. There is an obligation on the municipal authorities at every stage, as the minister indicated. There is the problem of acquiring land, the problem of the rehabilitation of existing housing, the conservation of housing before it deteriorates beyond hope.

The legislation and the amendments are specifically directed towards the older housing within the designated urban renewal areas. The corporation is now permitted to participate in the cost, not only of acquiring the land but the actual replanning of the services that have to go with the land. Frequently, the services have to be improved in order to meet the new demands placed upon them. The sewer mains and water mains have to meet the demands of the use of the land after redevelopment.

The municipalities must show initiative. They must go ahead with legislation to create housing standards boards and to set up standards for the maintenance of existing housing, and procedures for the condemning of housing which is below standard. The province is usually ready to contribute by providing a legislative base to back up the municipalities, so that this type of legislation does not become challenged in the courts. I was pleased to note, Mr. Speaker, that the city of Ottawa, which has pioneered a piece of legislation, was upheld in the Supreme Court of Canada. This legislation permitted the municipality to levy a high rise charge on new buildings in older areas which would create new demands on services which are inadequate to sustain them, when the tenements in the older areas constructed half a century ago are replaced by high rise buildings. The sewers that were laid down 50 years ago are not adequate; the water mains which were laid down 50 years ago are not giving sufficient pressure. The services which are below ground, in addition to the services above ground, have to be replaced.

For the first time the legislation will now permit Central Mortgage and Housing Corporation to participate in the costs of redevelopment, but the municipality has a responsibility—as I think the city of Ottawa has obviously done, and as a result of which other municipalities will follow—to seek the sources of revenue that are adequate to participate in the opportunities now offered it.

We heard some very interesting comments from the hon. member for Danforth (Mr. Scott) in terms of guidance, what might be short term and what might be long term policy. I for one followed his comments with a great deal of interest. There were some assertions he made with which I could agree, but there were other comments which he made that I found a little bit academic and on the theoretical side, with which I could not agree.

I would like to make some comments on one aspect of the bill which is not covered in the amendment, but which I am sure will be reviewed in years ahead. I am thinking in terms of land assembly projects. The hon. member said such a project was a very good example of the type of difficulty in basic thinking, and in trying to decide what our objectives should be. If we are shifting our emphasis to multiple units or public housing, to me it is quite clear that public housing should be built first in land assembly projects.

If we permit a land assembly project to be sold off in lots at a subsidized rate to a number of buyers in the middle income bracket, the experience all too frequently has been that the purchasers come back and lobby against public housing being built on land assembly projects. The people who buy these sites are under a misunderstanding as to what public housing involves. I believe there is an obligation to put the priority first on the building of public housing sites, and then sell the rest of the land assembly project sites for single family homes to private purchasers.

As an observer of some of the land assembly projects I could not help but notice that there is perhaps a real question whether the objectives of good, low cost, economical housing are achieved. It is clear now that the industry is moving to larger and larger units of production. A builder who puts up fewer than 100 units a year is not able to take advantage of the economics of large scale purchasing, and when you take a land assembly project and make it available to individual purchasers they in turn negotiate with a wide range of builders, and this means we have an uneconomical type of operation involved. More and more the industry today calls for plans not to put up a

single home but a neighbourhood of homes, a cluster of homes, harmonious in design, to give a balanced neighbourhood and a balanced community.

In making the sites available from the land assembly projects I submit it is very much in the public interest that we should look in terms of the number of builders who are going to operate there, and make restrictions to ensure that the finest type of neighbourhood development takes place within our land assembly schemes.

One other concept advanced by the hon. member for Danforth gave me a fair amount of concern. He spoke in terms of a model community. This is the great dream of the past. In the model community everything is ordered, everything is according to plan, but you will find very few of those who have had practical experience with the industry who feel that this type of community can be created in the way the planners think it can.

What is going to be the core of the community? If it is industry, how are you going to have public control of the industry? In a socialist economy it would be possible to formulate policy so that you could direct this core and work out from the industrial locations to the residential sections, and thus achieve a balance; but in our society it would be very doubtful if you could do this.

Was the hon. member thinking in terms of industrial communities on the fringe of large residential areas? If so, he must think in terms of what is involved, how many builders are going to be involved; because if it is open to everyone, this is to the detriment of the land assembly project. If you restrict the number of builders, by what principles do you allocate the lots and erect the homes? How do you assign plots of serviced land and put on the type of controls which are flexible enough and yet sufficiently minimum to be adequate?

I believe we are now entering a phase in construction in North America, and in Canada in particular, in which private industry is rising to a high level of achievement. I think the satellite communities which we now see springing up are the best planned towns, the kind we now see rising in southern Ontario, on the outskirts of Toronto, and which we see planned on the outer fringe of the green belt beyond Ottawa. In many cases a single large developer, or combination of developers, has reached to the satellite community, and set up within the framework of private enterprise its own controls, its own planning, and its own objectives.

I do not think this calls for anything more than proper balance and the guidance of legislation, but one of the things which has been involved so much with our legislation so far has been this monstrosity of emphasis on the three bedroom, single family bungalow in the suburbs. This has distorted the community's attractiveness and has created onerous and unnecessary demands on school boards and others. It has created what I think in many cases is an unequal disposition of new classrooms and other new facilities, especially when we come to add up the cost of this type of inadequate planning.

I think the amendments which have been proposed today are a stepping stone in a change of thinking, in a change of philosophy, in a change of emphasis which is in keeping with the obligations ahead of us. There is no question that the greatest job to be done in housing today is to provide houses for those in the lower income brackets, to provide housing on the most economical terms, whether it be in forms of town houses, apartment dwellings or multiple units which are beautiful, which are economical, which provide the necessary minimum standards of community facilities and which, I submit, will have to be financed with the kind of assistance which single family homes got through the previous legislation. I am very pleased to welcome these amendments and to support them in this house.

Mr. Clancy: I have one or two questions for the hon. member, after listening to his very eloquent speech. What does he think about the low rental housing area which is causing so much trouble in part of his constituency? Second, what about our schools and a bypass over the Queensway? I think he was very eloquent, but why not get a little bit local and get something for the people who live in his constituency? I happen to be one member of parliament who spends his time in Ottawa living in the hon. member's constituency.

Mr. Francis: I welcome the hon. member's intervention, and I am delighted to say I can vouch for the fact that the hon. member who has spoken is an excellent citizen and a well known resident of a very fine riding. The hon. member was attentive to what I was saying and I am sure he will recall I said there were some instances of standards of construction which are not as good as they should be, and I also referred to lack of adequate balance, of recreational facilities and lands adjacent to public housing sites. I feel very strongly that this is one particular example where the planning was not good enough, and I believe that what we will have to do in future will have to be a great deal better than was done there. But by the same token we all know we have to have public

housing. This is what is needed, and this is what is called for within the terms of public initiative.

We have, by and large, solved the problem of the development of the single family house. Eighty per cent of what has been done under the act has concerned this type of accommodation. But I have worked very conscientiously to try to improve the conditions of that development, and as an alderman of the city of Ottawa representing that area I have expressed on a number of occasions, as the hon. member may know, and as certainly his wife will know, my concern about the lack of recreation space afforded to a project which has 120 units and houses well over 500 children.

Mr. Clancy: The hon. member has just said he was an alderman of the city of Ottawa, and he was an alderman when I moved into the area. There has been no decision made. Land was set aside for recreational use and still, after five years, no decision has been reached. If the hon. member wants to be local about the thing, fight it out here, or else go down to city hall.

Mr. Francis: The hon. member has, I think, answered his own question. The mayor of the city of Ottawa is a member of his own party and he should carry more weight in influencing her decision than I have been able to do.

Mr. Clancy: I would accept the mayor of Ottawa as a member of our party any day of the week.

An hon. Member: You can have her.

Mr. Clancy: I will take her. She is a fighter. She has more brains than all the rest of you.

Mr. G. W. Baldwin (Peace River): In addition to the compliments paid by the hon. member for Carleton (Mr. Francis) to the hon. member for Yorkton (Mr. Clancy) I think he forgot to say he also had good voting habits.

I think the quality of this debate has been excellent. This is a very important subject and it has been dealt with, I think, in a constructive and useful way by all members who have taken part. I should like to say this because in recent weeks it has been the habit to be extremely critical of this parliament. Yet here we have legislation dealing with real problems, and there is no doubt the house can rise to the occasion and deal with these problems in an effective way.

I wish to go on record as agreeing with the remarks made by my hon. friend from Yukon (Mr. Nielsen). I also come from a northern constituency, not quite as far north as he does but far enough north that to a limited extent the problems which his people face are those faced by the people of my area, too. I do hope that the minister, who I saw paying close attention when the hon. member for Yukon was speaking, will pay regard to his reasonable suggestions.

I should like to make one further observation, though it is not completely pertinent to this legislation before us. The $500 bonus program is one which does not apply in the north in the fullest way, northern winters being what they are. When the cut-off date comes we too often find that the weather has been so inclement that it has been impossible to reach the stage which could be expected in areas of Canada further to the south. This is very important. I have received a number of letters from people in my area who are anxious to take advantage of this provision, but unfortunately they have not been able to do so. While I agree there cannot be flexibility in legislation of this kind sufficient to satisfy the requirements of all the areas of Canada, I think the situation which arises in the northern regions should be given special consideration.

I listened with interest, too, to what was said by the hon. member for Danforth (Mr. Scott). I agree with much of what he said but I do not go along with him when he suggests that this matter might be the subject of a royal commission. This problem of housing and urban redevelopment is one which is extremely rapid in its occurrence and its changes and I do think that if you set up a royal commission, by the time this commission were to draw its conclusions the assumptions upon which those conclusions were based would no longer be valid. I am sure those members who have played any part in municipal government will bear with me when I say that frequently, from the time a municipal project is conceived, financed and carried through the necessary levels of government to the day of its conclusion, a considerable time has elapsed, and the end which the project was initially planned to serve has also extended.

So it would be with a royal commission. I would make this suggestion, however, and it is one I have made before. The standing committees of this house—and this, of course, is a subject for a committee which Your Honour and I are concerned with also—no longer are related to the exigencies of present day needs, and I should like to see a standing or select committee dedicated to the problem of urban redevelopment and housing. This is a need which could be met by simple means at this time and, in conjunction, rather than a royal commission I should like to see a per-

manent committee composed of the representatives of the three levels of government, federal, municipal and provincial. This would be a committee sitting continuously with a permanent secretariat to study these problems which arise from day to day, from week to week and from month to month. Liaison between that committee and the three levels of government would, I think, enable the machinery of government to be directed to at least a partial solution of the problems which have to do with housing and urban redevelopment.

Several years ago a measure of this kind was before this house. I had the honour to speak on that occasion and I want to repeat what I said then. I am going back, very briefly, to the amendments made to the National Housing Act in 1960, and I do this because the very problem I referred to then still exists; it has not been disposed of. We are still dealing with what, I submit, are the results and the effects of the problem and not with the real cause. At that time I was quoting from an article which appeared in *Time* magazine of August 29, 1960 and I should like, with permission, to quote part of this article again. The article was called "The Costly Earth" and it went on to say this:

The man who faces inflation's cruellest bite is the United States home builder—

And this can certainly be applied in this country.

—who starts off in search of land for his dream house.

Since 1950 the price of U.S. land for home building has soared anywhere from 100 per cent to 3,760 per cent—while building material prices have climbed a less spectacular 24 per cent and building trade wages 60 per cent.

I would imagine that this same comparison might well be made today. I did not secure statistics, because I did not know I would be speaking; but I think the same general trend would still apply. The article goes on:

In city and suburb alike, says *House and Home* the present tax structure harnesses the profit motive backward; it abets speculation, penalizes development. Underdeveloped land and vacant city lots are taxed, on the average, at less than 25 per cent valuation across the U.S. *v.* 40.8 per cent for business properties. Land, comprising one third of the U.S. national wealth, carries less than 5 per cent of the total tax load. Not surprisingly, land speculation has made more millionaires since world war II than any other form of U.S. business or investment.

If the U.S. is to avoid an even bigger land bust than in the '20s, concludes *House and Home*—

And this could certainly be applied in our country.

—cities and towns must act fast. Most experts agree that the first point of attack should be to ease the too-heavy tax burden on houses and other improvements, multiply the too-easy tax load on unimproved land, and make the unearned increment in land prices provide much more of the taxes needed to provide the streets, water, sewer and schools without which unimproved land would be neither liveable nor saleable.

I had the honour of being present yesterday at the opening of an important conference having to do with the family, and I also heard the eloquent and articulate words which were spoken at that time to open the conference. Surely at the very root of this problem is the provision of adequate housing for the family. How can you have a family which fits into our civilization as we would like it to fit without having that family housed in suitable and reasonable circumstances? I do not know to what extent this conference is going to direct its attention to this problem, but I would hope that we in this house have an opportunity to do something about it, and we might well march with our proposals parallel to what is being done at the conference.

I am not being critical of the bill itself, because I support the principle and I think it will do a great deal to help solve the consequences which have flowed from the problem I mentioned; but I do not think it gets to the root cause. What runs in my mind, Mr. Speaker, is what the minister has said—and I agree very much with what he did say—along the same lines as the words spoken by the minister several years ago, when a companion piece of legislation to this was before this house and was passed. It is in my thinking that in the not too distant future we will be called back here to vote even larger sums of money to deal in an even more impressive way with this very grave problem of urban redevelopment, urban sprawl, the slums which continue to grow despite what is being done to dispose of them, the construction of schools, streets and sewers to facilitate servicing the houses which are required for our people. I am quite satisfied as I stand here and speak tonight that within a few years legislation of the same kind will be before us again. I recognize that the question of land taxation, of municipal taxation is one which lies, under our constitutional division of powers, exclusively within the jurisdiction of provincial governments, as does, of course, this business of housing and slum development. But by one of these flexible arrangements which our constitution permits between the three levels of government, we are tackling the one problem, and I hope in the course of the discussions the minister and his officials will be having from time to time with provincial governments they will have a look at the suggestion I am going to lay before him at this time. There have been for many years those who have advocated a different type of municipal tax. One school of thought with which I have some sympathy advocates the

approach of Henry George which, as it is related to municipal government, can be described as a method of tax by which the emphasis is shifted and the incidence is shifted from improvements to the land alone.

I am simply going to leave this thought with the minister and refer him to two studies which have been done in the last few years in connection with specific municipalities. One was done in the United Kingdom and was completed quite recently. It was published by the united committee for the taxation of land values. The survey was made on a voluntary basis by the rating and value association, and it was done in connection with the city of Whitstable in the United Kingdom. Then there is a research monograph completed in 1959 by Miss Mary Rawson, who I think comes from the same city as does the minister. This is entitled "Property taxation and urban development". It covers a detailed analysis of urban development and taxation in the municipality of Burnaby, which of course is an area with which the minister is quite familiar. I am just going to read very briefly from this latter document; time will not permit me to do any more. But I would like the minister to give some attention to the summaries and conclusions contained therein.

This study was done very carefully. It was not a theoretical and philosophical discussion of the subject but, as is said in the foreword, it is—

—an able and well documented case study of what would happen in terms of land use and development in a municipality if the local ad valorem tax were shifted from land and improvements toward a land value tax.

The author comes well qualified, as the minister will know, for this sort of study. She is a native of British Columbia, a graduate of the University of British Columbia in economics and Slavonic studies, and was attached to the national research council of Canada for a period of years. In addition, she completed her master's thesis at the department of city and regional planning of the University of North Carolina. Let me conclude, Mr. Speaker, by just reading very briefly some of the conclusions, which I adopt as my wording and which I think are worthy of consideration. I shall read from page 27 of the monograph, which I will be glad to furnish to the minister if he is interested. First, dealing with the question of urban sprawl and the importance of increased land taxes, this study points out:

The importance of increased land taxes can probably best be appreciated in relation to the problem of sprawl—its extent and its cost to the community.

Sprawl is not a new phenomenon. Emil O. Jorgensen, writing in 1925, calculated that half the potential farming area and over half of our urban centres then consisted of vacant land.

There have been changes here, but I think that as related to value precisely the same proposition could be made:

It cost enough to build and maintain public improvements past all this unused land to reach people who were living further on, he said, but the amount of capital squandered, labour wasted and time consumed in passing and repassing these innumerable gaps of vacant land—daily, monthly, yearly—was "something appalling" and, for the nation as a whole, "beyond all calculation or conjection".

This passage continues:

In 1938 Edmund Bacon described similar costs to the community in a study of Flint, Michigan. He counted 28,526 vacant lots (of which 43 per cent were tax delinquent) which were serviced with water and sewer at a cost of some $1,700,000.

Then later on:

The sprawl problem is almost purely the result of land speculation at work. Thousands of vacant service lots lie within our cities while thousands of new urban lots are offered in patches scattered about in the suburban and rural rings. The services which are sometimes said to be rendered by speculators in land pale into insignificance when judged against the resulting pattern of costs to the community.

I just put it in this way, that this can be seen by anyone who has been involved in the construction of houses in the last 10, 15 or 20 years and who has watched with interest the increase in the percentage of the cost of land as contrasted with the cost of the building itself which has gone into new homes. I can recall that when I first built a house I think probably 5 or 6 per cent of the cost was land. In the case of the last house I built it was nearer 25 per cent to 26 per cent; and there is no stopping this trend. Then dealing with slum clearance the study says:

In the slum, the process of natural renewal by private action has come to a stop, hindered, among other things, by speculation in land, and by the taxation of improvements.

It is my simple submission, Mr. Speaker, that the application of at least this principle in part would do more than anything else that I know of to compel the owners of what are now described as slum areas to bring into production those parcels of land in order to pay the taxes which would be necessarily involved in a scheme of this kind. Then we see:

To exempt improvements and at the same time to tax land more heavily would provide a double incentive to the owners of derelict buildings to demolish them and to use the land more intensively. Here surely is a golden key to urban renewal, to the automatic regeneration of the city—and not at public expense.

Finally, Mr. Speaker, we have in this country an active and efficient housing industry. I think that more than any other

industry in this country we are geared to do the sort of things which should be done, yet we find it necessary to come back time after time to the government for the kind of help which this legislation is going to give. This report continues:

> To relieve dwellings of taxation removes a brake on investment which might take the form either of repair or of new construction. How great an improvement in the housing situation would result over time from this changed pressure, it is not possible to calculate.

This is, of course, a long range program. It may be four, five or six years before he or some other minister—and I expect it will be another minister—is going to ask the house for the passage of similar legislation. Therefore I would urge upon the minister and his officials the need to take a look at the problem. While I acknowledge the fact that it is completely out of his control to put into effect this type of tax situation, certainly at a conference he could bring it to the attention of municipal and provincial governments. He could also bring it to the attention of his colleague the Minister of Finance (Mr. Gordon) who, when urged for further funds by provincial governments, might well be able to point out the tremendously large amount of tax dollars going down the sewer from taxation of land speculation.

Mr. R. N. Thompson (Red Deer): Mr. Speaker, my intention is to speak very briefly to the bill we have before us and to bring up several points which I think are gross injustices with regard to the outworking of this legislation which is provided under the National Housing Act, the amendments to which are contained in Bill No. C-102. Shelter is of equal importance to the well-being of an individual in a free society, as is food itself. In fact, I am convinced that one of the best assurances for the continuance of a free way of life in a democratic society is the provision made within that society for direct home ownership. Much has been done in Canada in this regard, but we are yet far short of the desirable ideal so far as making it possible for individual citizens to own their own homes.

While it is not directly related to the amendments before us at the present time, I think we all agree that our tax system is antiquated so far as the home owner is concerned. Too often is he penalized for improving his own home and property, instead of being given the incentive to do this very thing. Second, the cost of financing home ownership is far too high. We speak about social capital and the need to provide capital without the heavy load of interest which we must pay today for the development of certain of our social capital needs. I am convinced that home ownership fits into this category as well. I believe that one of the reforms which must be brought about in the future is the classification of capital, so far as that which is required to provide for the construction of homes for our citizens is concerned, on the same basis that we are coming to regard social capital used for general social development needs.

As an illustration of this present problem a $12,000 mortgage on a home costs a homeowner after 20 years $21,326, on the basis that he is paying 6¼ per cent interest on the money. After 25 years it costs him $24,114. It means that in just 25 years the cost of financing his home is more than the cost of the construction of his home. At the end of 30 years this amount has been raised to $27,060. This does not include many of the other charges which are part of financing a home under the provisions of the National Housing Act, which is the authority which sets up Central Mortgage and Housing Corporation.

It is not my intention to go into detail on this subject because I want to bring into focus several injustices which are included in the present operation of the act about which I do not think very many of us have thought too much. Therefore, I will briefly deal with certain procedures established by Central Mortgage and Housing Corporation and followed by mortgage companies in Canada which appear to me to be contrary to the law and which work a considerable injustice upon many of our Canadian citizens whose homes are subject to these mortgages.

One of the requirements of a mortgage authorized by the corporation is that the monthly instalments shall be increased by an arbitrary amount, to cover the cost of insurance on the mortgaged property; likewise that amount which is intended to cover the municipal taxes to be paid on the property. This amount is always estimated and is always in excess of the actual amount of the taxes levied and the cost of insurance involved.

A more serious objection, however, is that Central Mortgage and Housing Corporation is endeavouring to interfere in a way which I think transgresses provincial laws in attempting to set itself up as a compulsory agent between the mortgagor and mortgagee with respect to taxes imposed by a municipal authority. It is not possible for C.M.H.C. to make the mortgagor the agent of the taxing authority, so therefore it must endeavour to make the mortgagee the agent of the mortgagor. It is a rule of law that agencies may be terminated by the principal at will subject to the payment of any damages for breach of agency contract if such damages in fact exist;

but no contract of an agency can be made irrevocable. In this case the mortgagee is attempting to claim the right to intervene between a taxing authority and a taxpayer against the wishes of the taxpayer and to occupy a position distinct from that of the agent of the taxpayer. This position is unknown in the normal procedures of civil law. For many centuries it has not been constitutionally possible to farm out the collection of taxes to anybody.

A further serious objection to the system is that the agent of the mortgagor can only be a trustee holding moneys on behalf of the taxpayer until the time they are paid to the taxing authority. During this period any interest earned by the money actually belongs to the taxpayers and should be credited to his mortgage account. The appropriation by the mortgagee of such interest constitutes legalized embezzlement. It is not difficult to see that the present system provides the mortgagee with large sums of the taxpayer's money for its own use to the date of payment of the taxes, and it has apparently been the practice for many years for all lending institutions to appropriate, or perhaps it is better to say misappropriate, the interest on such moneys.

There can be no objection to the mortgagor adopting such an arrangement when he so desires, but to have it forced upon him is another question altogether. There should be no way of depriving him of the right to refuse such an arrangement or to terminate it in order to pay his taxes himself directly to the taxing authority whenever he sees fit to do so. But this is not his prerogative under the present arrangement. From my own experience in this regard the lending institutions will exert every pressure possible, by intimidation or otherwise, to discourage the mortgagor from exercising these very fundamental rights.

A further abuse to be found in the regulations of Central Mortgage and Housing Corporation, and which is related to the particular amendments before us at the present time, has to do with the fact that the mortgagor is obliged to carry fire insurance to the full face value of his mortgage. The mortgage, however, is secured by both the building and the land, and I do not think any insurance company will ever issue insurance coverage on land itself. Usually this represents an increasing proportion of the mortgage starting at approximately one third. It can be readily seen that by this means the premiums are greatly and artificially inflated over and above the cost of financing the mortgage itself, as I referred to in my earlier remarks. Since insurance companies flatly refuse to value a structure by itself for insurance purposes and will accept coverage only on the full face value of the mortgage. The mortgagor is thus effectively prevented from determining how much fire insurance should equitably be carried on the building subject to the mortgage.

These may seem to be minor points, Mr. Speaker, but in my opinion they amount to the robbing of those who finance their homes under the provisions of this act of many millions of dollars a year simply because of the fact that under these regulations the financing institution is able to carry on these unfair and inequitable practices. The public are left wholly without protection in this situation since few can afford the cost of litigation and in most cases the cost of litigation would far exceed the amount taken from the home owner through the application of these procedures.

I think something ought to be done to correct this situation. I urge the government to look into the matter because while the point may appear a minor one in many respects, it is a fundamental right of the home owner that is being transgressed. What we ought to be doing in this legislation and through the whole policy involved under the national housing administration is to encourage rather than discourage the private ownership of homes.

Mr. A. D. Hales (Wellington South): Mr. Speaker, I should like to make one or two observations in taking part in this very useful debate that has been going on this evening. The subject of homes in which people live affects the lives of a great many in this country. I well recall my first session in the house in 1957 when the Conservative government introduced legislation to increase the funds available to Central Mortgage and Housing Corporation in order to make it possible to build more homes and to create more jobs. We all recall what wonderful effects this action had on the creation of jobs throughout Canada. I should like to commend the hon. member for Peace River (Mr. Baldwin) for his suggestion with regard to setting up a standing committee of the house on housing. I think this is an excellent idea and I hope the house will give consideration to the suggestion.

There are only two or three sections about which I should like to ask the minister questions at this stage of the bill. The first has to do with urban redevelopment. I apologize for not having been able to follow the minister too closely, and I hope he will correct me if I am wrong in what I say. I understand that first of all a city has to designate the area. First, who designates the area?

Is it the city itself, the province or the corporation? When an area is designated, does it have to be a slum area in order for a person to be able to get a loan on an existing house? In my own city there is an area three or four blocks wide where some of the oldest and finest homes of the city are situated. These are homes that people would like to buy if they could get a loan with which to purchase them. At the present time it is very difficult to get loans on such houses. However, if this area is designated I understand that C.M.H.C. will grant loans on the existing houses so that people can buy these fine old homes and convert them into duplexes or live in them as they are, or perhaps fix them up to their former condition and appearance.

If it is not made possible for people to get loans on older houses, then in view of the development of the urban sprawl in all cities across Canada I am sure almost anyone can visualize that some of the fine old sections of the cities of Canada will become slum areas. I hope the new provision is not set up in such a way that the area has to be designated a slum area before people can get loans to buy these houses.

In June, 1960, the former minister of public works, Hon. David Walker, made it possible for universities to get loans at the rate of 5⅛ per cent in order to build dormitories on university campuses. This provision has been used to a great extent. I am sorry I do not have the figures for 1964 but as of June, 1963, some $49 million had been advanced for this purpose. I am sure the amount must be nearly double by now. I commend the minister for improving this section so that student co-operatives will now be able to obtain loans under the act. With the great development of universities throughout Canada and the tremendous difficulties that universities are having in providing accommodation for their students, I am sure that student co-operatives will use this provision to a great extent.

There are many student co-operatives on campuses throughout Canada. In my own community of Guelph there is a student co-operative at the university which is most anxious to see the bill passed so that it can make application for a loan to build a student dormitory. In many of these co-operative residences students are able to work a few hours each week toward the cost of their accommodation. I am sure this provision in the act will fill a long needed want.

Another point I should like to make has to do with loans to non-profit organizations to build residences for senior citizens. This provision has been in the act for some time and in my view there has been a little window dressing in making reference to it in the resolution. However, I should like to see this section of the act used to a greater extent because it is really appalling to see the rooms in which some of our senior citizens have to live. There is a great opportunity here to provide better accommodation for our senior citizens.

Finally, Mr. Speaker, I should like to draw the minister's attention to the inspection aspect of C.M.H.C. operations. I know they sell what are called approved homes, but quite often purchasers of N.H.A. homes have brought to my attention flaws and poor construction in their homes. Only this week end a constituent told me that he had bought an N.H.A. home. I believe he is the second or third owner. It is a split level design and in the construction the builders failed to use enough gravel in the back part that is built on the ground. The result is that the whole floor has caved in and the plumbing, baseboards and flooring have caved in or deteriorated. This house is only eight years old. So this inspection of buildings is most important. I am sure the corporation will give every attention to this very necessary part of the construction of homes for the safeguarding of our Canadian people. I commend the minister on opening the National Housing Act for amendments, and this party is most happy to see these amendments put into effect.

[*Translation*]

Mr. L. J. Pigeon (Joliette-L'Assomption-Montcalm): Mr. Speaker, we are very happy, on this side of the house, that there are to be changes in the National Housing Act, and I wonder whether it would not be possible for the minister also to amend the act by making its provisions more flexible.

Everybody knows that the climate in the eastern provinces, including Quebec, the maritime provinces, Newfoundland, the Northwest Territories and the Yukon is entirely different from that of the western provinces and British Columbia, and that it is therefore more expensive to build a home in eastern Canada that in western Canada. I wonder whether it would not be possible to amend the Central Mortgage and Housing Corporation act to make it more flexible and put home building in eastern Canada on the same footing with home building in western Canada, where there is practically no winter.

Mr. Speaker, I believe that this is a constructive suggestion, as it would contribute to render the act setting up the corporation more flexible and fairer to Canadian taxpayers.

I know that it may be difficult to insert in this act some provisions to that end, but I also know that the minister's officials are

entirely qualified to establish a certain distinction between the climate in the western provinces and in the eastern part of this country.

Mr. Speaker, we will soon celebrate the centenary of confederation, and I wonder whether the government could not exempt from interest the towns and municipalities which would want to take advantage of the services offered by C.M.H.C. to demolish slums within their limits and replace them by new, cleaner and healthier housing.

We know that slums are a liability for this country because, first of all, investigations have revealed that they mostly are a breeding ground for juvenile delinquency, for it is there that we find the highest delinquency and crime rate. Second, municipal assessment is very low in slum areas and, consequently, municipalities stand to lose a lot; third, insurance rates are higher in slum areas which are considered a bad risk. Fourth, there are more frequent and more numerous fires in such areas. Consequently, slums constitute a liability for cities and towns and, therefore, for the whole country.

If the minister could convince the cabinet to exempt from paying any interest charges cities and towns undertaking urban renewal programs, such a policy would be welcome by the Canadian people.

I wonder how much it would cost the federal government if, for example, those cities and towns which want to clear their slums and build new housing were exempted from paying interest for ten years?

Mr. Speaker, the problem of water pollution which faces this country is of capital importance. To my mind, all provinces would have some interest in forcing their cities, for instance, Montreal, for the province of Quebec, Toronto for Ontario, Vancouver for British Columbia and Halifax for the maritime provinces, to pass specific legislation providing that municipalities in the same territory are to co-operate in building water processing plants to counteract water pollution.

Mr. Speaker, in a few years we will celebrate the centenary of confederation; in Montreal, we will have the world fair, which will attract about 50 million people. May I stress, once more, that the St. Lawrence river is, at this time, the server of all its tributaries. One has only to sail on the St. Lawrence river to see all summer long a permanent oil layer stagnating on its waters.

Are we, Mr. Speaker, as the world fair will take place in Montreal, willing to have visitors see that the waters of the majestic St. Lawrence are polluted because the federal government, which has jurisdiction on that river, as it is a navigable water, has not taken the necessary action? To my mind, Mr. Speaker, the federal government has a great responsibility in this field and should set an example—

Mr. Deputy Speaker: Order. I hesitate to interrupt the hon. member, but perhaps he would tell the Chair how the remarks he just made are related to the bill before us.

Mr. Pigeon: With great pleasure, Mr. Speaker. When I say that the water in the St. Lawrence river is polluted, it is due to industries, to the city of Montreal, to the surrounding municipalities and also to the oil plants as regards the oil sheets which foul the waters of the St. Lawrence river all through the summer. It is a blame I am indirectly casting on the oil plants in Montreal east which allow their tankers to spread oil on the St. Lawrence river.

I think it would be in the interest of private enterprises such as Montreal oil plants themselves to build sewage treatment plants—

Mr. Deputy Speaker: Order. I listened to the explanation given by the hon. member, but I must tell him that he has not satisfied me, because I do not think the comments he is making are related to the bill now before the house.

Mr. Pigeon: In section (b) of the bill, I see, referring to the explanatory notes:

For sewage treatment projects.

The city of Montreal and the surrounding municipalities authorize industries to dump into the St. Lawrence river chemical products which contaminate the water. I think, Mr. Speaker, that this is indirectly related to the bill now before us.

In concluding, Mr. Speaker—

Some hon. Members: Hear, hear.

Mr. Pigeon: —I have not concluded, Mr. Speaker, and this is an encouragement for me to go on until ten o'clock.

Mr. Speaker, I think it is important that in the constituency of Joliette-l'Assomption-Montcalm and more specifically in Joliette city, a home should be built under C.M.H.C. to enable our old couples to end their lives in peace and together.

I hope that the authorities concerned will take this action for the construction, within the limits of the city of Joliette, of a large building containing apartments big enough to accommodate couples. I am also convinced that if such a building were erected in L'Assomption, the population would be very happy.

In conclusion, Mr. Speaker, I come back to this point. In view of the centennial celebration of confederation, it seems important to

me that the government should amend the legislation, if necessary, so as to exempt from interest, for a number of years, the municipalities and cities which want to clear away their slums.

For some months Canada has been hard pressed, there is hardly any slum clearance or construction in towns and cities because costs are too high on account of the 11 per cent on building materials. I am aware of the influence of the minister in the cabinet, and I hope he will convince the Minister of Finance to abolish this tax which discourages private enterprise and hinders, by that very fact, municipalities and cities in the clearance of slums to be replaced by healthy dwellings.

Mr. Speaker, I hope the minister will have the authority and the faith necessary to convince the cabinet to abolish this infamous tax, which is a nightmare for all builders in Canada, in order to permit the great expansion which construction would experience if the Canadian population and municipalities were to avail themselves of the legislation governing the Central Mortgage and Housing Corporation, to clear slums and replace them by healthy and modern houses.

Mr. Speaker, I trust that these remarks will be taken into very serious consideration, knowing that the minister has only one aim, that is to work in the interest of all Canadians.

As far as the 11 per cent tax is concerned, I would ask the minister to say something about it tonight, so that it may be abolished completely and enable us to return on the road of progress, so that workers will find work to do and that we can have healthy and modern housing in Canada.

[*Text*]

Mr. G. L. Chatterton (Esquimalt-Saanich): Mr. Speaker, my remarks will be very brief because, as should be obvious now, this side of the house has been anxious to get these amendments through as soon as possible. As a matter of fact, we were prepared to let the resolution go through without debate. However, there are a few general remarks I wish to make, and I reserve the right to make comments on specific clauses of Bill C-102 when it reaches the committee stage.

First of all, I want to say that Central Mortgage and Housing Corporation, the administering agency for the National Housing Act, is the orphan of the government, and in my opinion has found a very poor home in the Department of National Revenue. This is the last place where it should have rested—certainly the Department of Public Works would be a more fitting and proper place for it.

[Mr. Pigeon.]

I have one or two general comments about the existing operations of the National Housing Act which I want to bring to the minister's attention. The first is with regard to the general policy of making individual loans only in the case of sewered areas.

Mr. Nicholson: Does the hon. member think that the administration of Central Mortgage and Housing Corporation is now with the Department of National Revenue?

Mr. Chatterton: It is presently with the minister, but I think the proper place for it is the Department of Public Works.

Mr. Nicholson: It is not with the Department of National Revenue, and I hope the hon. member understands that.

Mr. Chatterton: Yes, at the present time I understand that. I wholeheartedly agree with the policy that loans should be made not only where sewers are available, but there are places where this policy creates hardship and there are anomalies involved in setting an arbitrary rule as to whether the policy should apply or not. I suggest to the minister that he might consider establishing some kind of tribunal or appeal body to which individuals can refer when their particular cases are considered to be discriminated against by the present policy.

My second point is with regard to the policy of lending for apartments. I have in mind a recent case in the city of Victoria where C.M.H.C. decided there was overbuilding of apartments and therefore would not insure any more loans. There might be a valid reason for that attitude, but what I consider unfortunate is that when they decide the type of apartments being built they do not consider the quality and the particular need of an area for a special type of apartment.

Now, Mr. Speaker, I want to use again a document which I have used quite frequently in the house and which I will continue to use. This is a full page advertisement, published in the Victoria *Daily Colonist* of Sunday, March 31, 1963. The date of course denotes that this was during the last election campaign. This document is headed, "Policies of the Liberal Party". Of course I could spend all night reading the promises made and telling how they were not fulfilled, but I will restrict myself tonight to the amendments to the National Housing Act. I read:

> Extend national housing legislation to provide insured mortgages for the purchase of existing homes as well as for building new homes.

It is a far cry from the provisions in the proposed legislation to that promise. The present legislation provides for loans on existing houses on a very limited scale, only in the area of urban renewal, but this promise of the

Liberal party was definitely to provide insured loans for all existing homes.

Mr. Nielsen: Deceived the public.

Mr. Chatterton: Yes definitely, deceived the public. The second promise made was this:

> A new Liberal government will extend national housing legislation for the improvement of farm homes and other dwellings in rural areas.

I do not see any reference in the proposed legislation to that promise. In general terms, we are in favour of the proposed legislation and we are anxious to get it through. We are not going to delay it; but I want to point out that this legislation was taken almost in toto from the policy of the previous government.

I would refer hon. members to a speech made by the former prime minister at the annual meeting of the Progressive Conservative association of Ontario on February 19, 1963. I will not read all of it, but wish to point out that almost everything in Bill C-102 was forecast by the previous government in its proposed legislation, except in one very important area, and this is my main criticism of this legislation. We will not oppose it on these grounds, but I would point out to the minister that the bill does not really touch the real problems of urban growth and development in Canada.

In my opinion some of the major problems we have in Canada today are really unimportant compared with the real problem Canada will be faced with in the next two or three decades, namely that of urban growth and development, and this bill does nothing to prevent the increasing difficulties that urbanization is causing. What it does is to lessen some of the difficulties that have been created. It tends to remove the blight that exists. It tends to prevent further deterioration of the area which is degenerating, but it does not prevent blight that will follow in new areas, in the growing areas of the urban centres. In this respect the policies of the previous government made an important proposal, and that was, with regard to the outside areas of the metropolitan cities, to provide for further federal assistance to prevent some of the deterioration that will surely occur in the next decade or two in these areas.

I would urge the minister to get his staff, perhaps in conjunction with the Central Mortgage and Housing Corporation and the national research council to consider these measures which might be taken to prevent what has happened, and what is happening now in the older parts of our cities, from occurring in the suburbia which is developing so rapidly. This is where the blighted areas of the future will occur, and deterioration will come about much more rapidly than has been the case in the cores of our existing centres.

Mr. W. H. A. Thomas (Middlesex West): I wonder whether the minister when he rises to wind up the debate would mind discussing the limits placed on this urban renewal program. In clause 23 we find a definition of the term "urban renewal area". It is defined as a blighted or substandard area of a municipality for which a government of a province in whose area it is located has approved the implementation of an urban renewal scheme. What about the limitation placed on the term "municipality"? Does it apply only to our large cities? Does it apply to a community of 10,000? Does it apply to a community containing 5,000? Does it apply to a community containing 1,000? And so forth.

Perhaps the minister will explain whether or not municipalities containing older villages and smaller settlements of 500 to 1,000 population can qualify under the urban renewal program. I will leave this question with the minister.

Mr. J. E. Pascoe (Moose Jaw-Lake Centre): Other members have spoken at some length on the proposed amendments to the National Housing Act outlined in Bill No. C-102. I think we are substantially in agreement on at least those proposals which are in line with the policies initiated by the previous government. I have a few short comments to make on a situation of great interest to my home city of Moose Jaw, Saskatchewan. It concerns adequate housing accommodation for a large number of air force personnel being transferred to Moose Jaw R.C.A.F. station in the next few months in connection with the changeover in pilot training from Harvards to Tudor jets.

According to a statement by Group Captain Hunt, the officer commanding Moose Jaw R.C.A.F. station, there will be some 90 jet trainers at the station within a year. In addition to flying instructors and students there will be a large increase in maintenance staff. All these men and their families will require homes. Moose Jaw is very pleased to receive such an influx of important new residents. City officials wish to provide them with adequate housing. Although, with the expansion of the city in recent years, a great many new homes have been built, there will still be a need for more when the additional R.C.A.F. personnel arrive.

On an earlier occasion I discussed this matter with Mr. Garland, the late minister of national revenue. In a letter to me dated June 20, 1963, he stated:

Dear Mr. Pascoe:

In reply to your letter of June 10th concerning a housing project at Moose Jaw for accommodation of R.C.A.F. personnel, I am advised that no formal application for any additional accommodation has been received by Central Mortgage and Housing Corporation.

You also request information as to Central Mortgage and Housing's policies concerning financing of projects to provide low rental housing. Some years ago, treasury board directed that for defence establishments located in reasonable proximity to organized municipalities that rental housing should, if possible, be provided by private enterprise within the organized municipality. Housing provided under these circumstances has become known as urban military housing and Central Mortgage and Housing Corporation, as agent for national defence, designs the project and invites competitive proposals. Mortgage financing is provided by the Department of National Defence to the owner under terms comparable to those of the limited-dividend section of the National Housing Act. Approximately 3,450 units in 16 locations have been provided under this plan, and of these 600 are still under construction. The final decision as to the method of procuring rental housing rests with treasury board.

The late minister indicated that this arrangement was planned as an alternative to building additional permanent married quarters on military bases.

As I stated, this letter is dated June 20, 1963. The question I ask the Acting Minister of National Revenue is this: Is this arrangement for urban military housing still in operation and, if so, what procedures are necessary when applying for C.M.H.C. plans? I realize that these arrangements may not come directly within the minister's own field, but I did give him notice of my intention to ask this question and I trust he will give an answer when he closes the debate.

Mr. Deputy Speaker: If the hon. minister speaks now he will close the debate.

Hon. J. R. Nicholson (Postmaster General): I intend to make my remarks very brief since I would like to get into committee for the clause by clause discussion of the bill itself. Certainly some of the questions which have been asked this afternoon and this evening could, I think, be answered more effectively on the particular clauses concerned. I refer for example to the question asked by the hon. member for Middlesex West (Mr. Thomas). He asked if I would deal with a certain phrase in a particular clause. Since this clause is part of a long series of amendments I think it would be much more effectively and easily dealt with in committee.

However, there are some matters which could properly be dealt with at this stage. The hon. member for Moose Jaw-Lake Centre (Mr. Pascoe) was thoughtful enough to tell me in advance that he wanted certain information. I can say briefly, this: While it is expected there will be additional air force personnel in the Moose Jaw area, should the Department of National Defence feel that additional housing is required either for single men or for married couples they can make a request to treasury board and provision can then be made. Our information is that despite the fact that additional personnel will be transferred to Moose Jaw the Department of National Defence does not intend to make any such request to the treasury board. However, Moose Jaw is in the same position as Petawawa and other cities to which military personnel are being transferred. Equal opportunities and facilities are open. Within the last few weeks a private builder has applied to Central Mortgage and Housing Corporation for a loan in connection with a project in Petawawa. It is progressing very nicely. The facilities and machinery of Central Mortgage and Housing Corporation are available in Moose Jaw, as they are in any other city. But the type of housing about which the hon. member is inquiring is, I think, that normally arranged by the Department of National Defence through treasury board. Did the hon. member have a question?

Mr. Pascoe: Would the minister outline what terms are available to a private contractor contemplating taking on the construction of homes like that?

Mr. Nicholson: It would be difficult to give that information now because it would involve outlining the entire procedure. I assumed from what the hon. member had said about his discussion with the late minister of national revenue that he was already in possession of this detail. I would be glad to give it to him if he would come to my office at any time.

One matter which was raised by the hon. member for Yukon (Mr. Nielsen) does deserve a comment. He said certain builders were bypassing or getting round the regulations of the Central Mortgage and Housing Corporation and he wanted to know what steps were being taken to prevent this practice. I am sure the hon. member is familiar with regulation 20 of the national housing regulations which provides that an approved loan shall be made by an approved lender to a borrower at no less than the par value thereof, and that the borrower shall not be subjected to a charge in the nature of a discount or commission.

I am informed by C.M.H.C. that there has been the odd case within the last few months —that is to say, one or two cases—where it has been alleged that a builder-borrower has been subjected to a commission. These cases are being investigated. I might say that this act, as hon. members know, has been working for many years and we have had no difficulty whatever with the approved lenders who have

been functioning for any appreciable length of time. There have been difficulties with new lenders who have been approved recently and our present information is that the incidents referred to by the hon. member are cases involving new approved lenders. I can assure him that we will take action in this regard.

I would like at the outset, Mr. Speaker, to thank all hon. members for their kind words of appreciation of the co-operation they have received from the officials of C.M.H.C. It bears out the opinion I have formed of them in the two and a half months I have been the minister reporting for the corporation to the house. I also want to thank hon. members for their kind references to myself, and I can only express the hope that I may be able to live up to the expectations some of my hon. friends have put forward on my behalf. I will do my best.

I must say that I was very impressed with the remarks of the hon. member for Danforth (Mr. Scott). He made a number of constructive suggestions. I think the most important comment he made was, "The question is not what is going to happen here as to the passing of this bill, but what is going to happen after the bill becomes law". I agree with him. The proof of the pudding will be in the eating, what counts is what is done after the amendments are accepted by this house, as I hope they will be at a very early date. The hon. member suggested that a royal commission might be set up to have a look at urban Canada, as he described it, and study the problems of the low income families and our senior citizens or elderly people. I would rather give that suggestion some thought.

Another hon. member of the official opposition suggested that we have a permanent committee of this house do the same thing. I can assure the house through you, Mr. Speaker, that these suggestions will receive careful consideration.

The hon. member for Grey-Bruce (Mr. Winkler) and one hon. member, who preceded him, complained about red tape. I practised law long enough before I went into business to know something of the difficulties caused by red tape, and I can assure the hon. member that I will do my part to see to it that if there is any red tape that is interfering with the sound administration of this act, I will do my best to see that the red tape is cut. With regard to the suggestion that a separate department of urban growth and development be set up, my only comment is that I know both hon. members who suggested this appreciate the difficulties that lie in the way. They said they appreciated there were difficulties. Having regard to the difficulties that you run into when you try to get the provinces to accept amendments such as are incorporated in this bill—and the course agreed upon represents months of careful negotiation. Hon. members will recall some of the difficulties we ran into with the municipal loan development fund. With property and civil rights in the background—the field in which a minister responsible for urban growth and development could work would be rather restricted, I would think. However, the matter will be considered, but I do not want to offer hon. members too much encouragement at this time. The hon. member for Grey-Bruce raised a question with regard to section 36(b). That is something that I think could be more effectively dealt with in the clause by clause discussion.

I would appreciate it if the hon. member for Peace River (Mr. Baldwin) would send me the second of the two studies to which he referred, namely the research monograph. It sounded like interesting reading. The hon. member for Wellington South (Mr. Hales) asked, "Are loans under the proposed legislation limited to existing houses in designated areas?" The strict answer is yes, but loans are not limited to slums or near slum areas. A designated area, as I explained in my opening remarks, and as will be seen from the provisions of the act, could be a blighted area or an area in which there has been an indication that blight may or is likely to set in. Under those circumstances either the province or the municipality designated by the province could designate a blighted area—not necessarily a slum area. I think this is what was troubling the hon. member.

I see that the hon. member for Joliette-L'Assomption-Montcalm (Mr. Pigeon) has left the chamber, but he referred to the fact that he wanted to put housing in the west on the same footing as it is in the east. He overlooks the fact that we have some cold weather in the west, too. I can refer him to the interior parts of British Columbia and to the Yukon, Saskatchewan, Alberta and Manitoba. He will find that we have problems there which are even greater than they have in parts of eastern Canada.

With regard to one of the two points raised by the hon. member for Esquimalt-Saanich (Mr. Chatterton), I would say this. He referred to the fact that the government promised to extend loans to existing houses. I think, in fairness, the hon. member will agree that while we have not extended them to existing houses in all parts of the country, we have made an encouraging start at least by including existing houses in areas that are designated as needing attention. Any other

questions, Mr. Speaker, I will try to deal with in the clause by clause discussion.

Mr. Thomas: Mr. Speaker, I wonder if I might ask the minister whether he could relate his idea of a blighted area to loans for used houses. I mean, does it apply to the villages and smaller towns throughout our rural areas?

Mr. Nicholson: I dealt with that matter at some length in my opening remarks, Mr. Speaker. I would, with the best of faith, refer my hon. friend to the remarks I made on that occasion.

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

On clause 1.

Mr. Pigeon: Mr. Chairman, just one question. Will the government soon appoint a new president of Central Mortgage and Housing Corporation to replace the one who died?

Mr. Nicholson: The matter is receiving consideration at the present time but no decision has yet been made.

Mr. Pigeon: But the new president will be bilingual?

Mr. Nicholson: We will appoint the man we consider best fitted for the job.

Clause agreed to.

Clauses 2 to 6 agreed to.

On clause 7.

Mr. Nielsen: Mr. Chairman, I directed a good portion of my remarks to the application of extending loans to existing homes in rural areas. Is there any hope of relief in this regard to areas such as those in northern Canada, which are largely rural? In fact, 40 per cent of Canada is rural. Is there any hope that those areas will ever be able to participate as a result of this amendment?

Mr. Nicholson: In answer to the hon. member he will note that the scheme of this amending bill is tied in with the idea of the working program for all the provinces. One of the key words in section 23 of the act is "municipality". There is no difference between cities and smaller municipalities. Municipalities of the type of area to which the hon. member referred would be included, but smaller unincorporated units would not be covered by the act.

I might say that this is a very important step forward which we are taking. We are pioneering in this legislation, as I said in my opening statement. We have to learn, I will not say to crawl, before we can walk, but certainly to walk before we can run, and I should think that we would want to see how this scheme works out in some cities and municipalities where the stagnation and slum conditions to which I referred are presently existing. We should make an attempt to clean this up before we branch out into too wide a field. As I also said in my opening statement, the government is firm in its objectives, and if we do not attain the objectives we are seeking in the act, as enunciated in the statement I made on behalf of the government, then I hope hon. members will get after us and needle us to make the necessary changes which will bring about the desired objectives. But I do not think we should embark on too wide a course at the outset.

Mr. Nielsen: Just on that point, I should like to compliment the minister and the government on following in the pioneering footsteps of the previous administration in this regard. But may I draw to his attention, as I am sure he already knows, that there are only two municipalities in the Yukon, and I know of only one in the Northwest Territories—there may be more but I know of only one. In the Yukon there are the municipalities at Whitehorse and Dawson City. Dawson City is a municipality, as the minister knows, which is experiencing great difficulty and I am sure that these provisions will not benefit the people there. They cannot even get an ordinary loan under the National Housing Act. So here is an act which is supposed to be national in application but which really is not applied to northern areas at all.

I would simply urge the minister to take into consideration possible review of the matter, with the objective in mind of bringing the act into some sort of line so that it will apply to and work in the northern areas of Canada.

Mr. Nicholson: I have not forgotten the remarks of the hon. member which he made this afternoon, and also those of the hon. member for Peace River on the same subject.

Mr. Thomas: Can we assume then, Mr. Chairman, that any municipality within a province, provided they can persuade the provincial government to designate them an area under the act, can participate with no limitation population-wise or otherwise?

Mr. Nicholson: That is made perfectly clear in section 23(a) of the act. That is the same passage to which I referred when replying to the hon. member for Wellington South. This provision applies to substandard areas, not just slum areas of a municipality, in connection with which the government of a province has

approved the implementation of a scheme of urban renewal.

Mr. Thomas: According to the section a plan may designate buildings and works in an area. Does that mean that the municipality, with the agreement of the province, could pick out certain buildings along a street and set up plans for urban renewal in regard to those particular buildings or streets?

Mr. Nicholson: Mr. Chairman, I think the language is clear. A designated area would not be just three or four houses. Some of the houses in a designated area may need improvement and some may not. If they come within the area, some house or buildings may have to be torn down completely. Others, if they are in keeping with the over-all urban renewal scheme, could be improved or new ones built with funds made available through Central Mortgage and Housing Corporation, or an approved lender.

Mr. Thomas: And some of the houses could be left standing?

Mr. Nicholson: Some of the houses could stand. If they needed improvement, funds could be made available.

Mr. Thomas: It is just improving what is necessary.

Mr. Gray: Mr. Chairman, I am just wondering whether the minister could clarify for me whether the act will leave the right to the municipalities to acquire land for commercial purposes, which lands is now being used for commercial purposes?

Mr. Pigeon: Please do not embarrass the minister.

Mr. Nicholson: The hon. member may not have been here, but if he will read the remarks I made when the resolution was introduced he will see that that is quite possible.

Mr. Herridge: Mr. Chairman, I am not quite sure whether I am asking this question under the right clause, but I do want to ask whether consideration has been given to providing loans for persons who want to build properly constructed log homes with shake roofs. These can be very substantial, long lasting and very artistic houses.

Mr. Nicholson: All I can say in answer to that is that I am sympathetic to the suggestion contained in the hon. member's remarks. I too have a soft spot for shakes, having regard to my background. This is a matter of detail which must be left to the municipalities concerned and Central Mortgage and Housing Corporation—but it has the sympathetic support of the minister, I can assure the hon. member.

Mr. Herridge: I do just wish to bring to the attention of the minister that there are hundreds of thousands of dollars worth of split shakes being sent to California from my district to be used on homes costing up to $150,000, and the men making these split shakes would like to use them on their own homes. However, under central mortgage and housing they have to buy the rubberized or some other artificial form of roofing. Therefore I ask the minister and his officials to give this matter consideration, because the cedar shake is the most long lasting and is the most efficient roof for its cost of any roof devised by man to date.

Mr. Peters: I would like to ask what consultations have been undertaken by the department in relation to the provinces. Are all the provinces behind the program of urban renewal outlined in this clause?

Mr. Nicholson: Again the hon. member may not have been here, but in answer to a question put by another hon. member I stated that the program outlined in this bill has been cleared with all the provinces and we have their assurance that they will co-operate.

Mr. Nielsen: Don't forget the territories.

Mr. Hales: Just one question on this clause which relates to section 23. In one city there could be any number of designated areas, I take it, provided the province concerned agreed. Perhaps there would be half a dozen streets in one area of the city, and then 10 or 12 streets in another part of the city. Would that be a designated area?

Mr. Nicholson: That is within the concept of section 23, the unnumbered part. It is the main clause of section 23.

Clause agreed to.

On clause 8.

The Chairman: Shall clause 8 carry?

Mr. Peters: Ten o'clock.

Mr. Nicholson: Is it at all possible to finish the bill? We have done 7 of the 16 clauses and I understood that all parties were in sympathy with the principle of the bill.

Some hon. Members: Agreed.

The Chairman: Is it agreed?

Mr. Pigeon: We agree on our side.

Mr. Peters: Ten o'clock.

The Chairman: I understand we do not have unanimous consent.

Mr. Monteith: The member for Timiskaming.

Mr. Crouse: Obstruction from the N.D.P.

Progress reported.

BUSINESS OF THE HOUSE

Mr. Churchill: Mr. Speaker, I would ask the acting house leader what the business will be for tomorrow and, if he can give it, for Wednesday.

Mr. MacNaught: Mr. Speaker, tomorrow we will continue with the committee stage of the bill to amend the National Housing Act. When that is completed we will resume debate on the second reading of Bill No. C-100, to amend the Farm Credit Act. At the conclusion of that measure we will consider the second reading of Bill No. S-26, respecting the commission established to administer the Roosevelt Campobello international park. I may say that this measure was considered and passed in the other place. There is some urgency that it be passed by this house as soon as possible, and I understand from conversations I have had with the house leaders on the other side that it will pass with a minimum of debate. After that is finished we will take the second reading of Bill No. C-101, to amend the Export Credit Insurance Act.

PROCEEDINGS ON ADJOURNMENT MOTION

(Subject matter of questions debated under adjournment motion).

Motion to adjourn the house under provisional standing order 39A deemed to have been moved:

CANADIAN CENTENNIAL—APPOINTMENT TO COMMISSION OF WIFE OF CABINET MINISTER

[*Translation*]

Mr. L. J. Pigeon (Joliette-L'Assomption-Montcalm): Mr. Speaker, on May 22 last I asked the Prime Minister the following question:

> Does he approve of the appointment to the conference on the centennial of confederation of the wife of the Minister of Forestry, who is already an employee of the C.B.C. and who did not even take the trouble of attending the meeting held in Charlottetown last April 25 and 26?

Mr. Speaker, the wife of the Minister of Forestry (Mr. Sauvé) is the moderator of many programs of opinion for the C.B.C. I cannot do otherwise than denounce this family compact. The Minister of Forestry has emoluments of $35,000 a year and his wife receives from the C.B.C. approximately $15,000 a year. Moreover, she is a member of the national centennial commission.

Mr. Speaker, in the opinion of the great majority of C.B.C. listeners, it is a scandal. And yet, Mr. Lesage, who was elected to office in Quebec, ordered royal investigations on peccadillos.

[Mr. Crouse.]

Mr. Speaker, the majority of listeners of the French C.B.C. network feel that we are faced with a real scandal, since it is the same family which controls and receives from a crown corporation and the government a very large amount of money.

Mr. Speaker, the wife of the Minister of Forestry embarrasses the employees of the C.B.C. and her presence in that corporation represents another type of blackmail for the authorities of the C.B.C., who do not dare dismiss her. In fact, what would happen if the head of the service concerned would dare dismiss the wife of a minister of the crown? The C.B.C. is wrongly considered as a den or the Mecca of the Liberal party on account of the wife of the Minister of Forestry.

When the Minister of Forestry discusses with his colleagues during a meeting of the cabinet the budget of the C.B.C., how do you want him to be unbiased and to protect the interests of the C.B.C. when his wife collects fabulous fees from that corporation.

Mr. Speaker, Caesar's wife must be beyond reproach. Caesar Sauvé, save Caesar. Caesar's wife should not be open to suspicion, even if these suspicions amount to $15,000 to $20,000 per year collected from the C.B.C. while her husband, Caesar Sauvé, gets $35,000 a year as minister of the crown.

Mr. Speaker, over the week end His Excellency the Governor General opened a conference on the Canadian family. We are all in favour of clannishness, but after all, is the family compact of Caesar Sauvé not making a great deal of money at the expense of the 600,000 unemployed of Canada? Mrs. Jeanne Sauvé, wife of the Minister of Forestry, will perhaps become the Cleopatra of the twentieth century.

Mr. Speaker, it is time the government took a position. Most Canadian taxpayers object to the wife of the Minister of Forestry collecting fabulous fees from the C.B.C. while her husband is a minister of the crown and a member of the cabinet.

How do you expect the situation not to be embarrassing for the C.B.C. officials who dare not dismiss her for fear that their own heads might roll as a result of their action, since they are faced with a powerful man, a powerful government which intervenes often directly and indirectly in the affairs of C.B.C., as we found out lately.

Mr. Speaker, the 600,000 Canadian unemployed are justified in complaining about that situation, and I hope that the Canadian government is going to face up to its responsibilities and break off that family compact which is so shameful for our country.

[*Text*]

Mr. J. B. Stewart (Parliamentary Secretary to Secretary of State): I had thought, Mr. Speaker, that the appointment complained of was the appointment of Madame Sauvé to the national conference of the centennial. I can only conclude from the rambling remarks of the hon. gentleman who has just resumed his seat that the question put down was not to the point.

The national conference on the centennial is made up of 60 persons, 20 appointed by the provinces and 40 appointed by the governor in council. These 40 represent a broad cross-section of Canadians in the sciences, the arts, the learned professions, business, communications and so on. They are individuals who have made a contribution to our national endeavour. Members receive no honorarium, but are paid a per diem allowance to cover expenses when attending meetings. They serve during good behaviour.

Madame Sauvé was appointed to the conference on October 15, 1963. She had participated actively in numerous regional and national organizations. She had been active in radio, television, and other forms of communications. She has a good knowledge of Canadian public affairs and, Mr. Speaker, she is bilingual.

Mr. Pigeon: Yes, but she is the wife of a minister of the crown.

Mr. Stewart: The remarks now made by the hon. member for Joliette-L'Assomption-Montcalm (Mr. Pigeon) respecting this appointment, even although more restrained than those which we are accustomed to hearing from him, are surprising in view of the fact that this appointment was made several months prior to the date on which the hon. member for Îles-de-la-Madeleine (Mr. Sauvé) was sworn of the privy council. Incidentally, the pages of history are not devoid of illustrations of men and women who have made great contributions to national affairs, each in his or her own way. I would hope the hon. member for Joliette-L'Assomption-Montcalm (Mr. Pigeon) would not wish to deprive his illustrious province of sharing that record of proud cultural achievement.

POWER—PEACE RIVER—AUTHORITY FOR FLOODING BEHIND DAM

Mr. H. W. Herridge (Kootenay West): Mr. Speaker, my question is not of quite such a personal nature as the previous one, but it is one which concerns national interests. The other day I asked the minister the following question:

> Has the B.C. hydro and power authority asked the minister for his approval for the flooding of the reservoir behind the Peace river dam without the removal of forest growth and vegetation except for the partial clearing of certain channels necessary to meet the requirements for very limited navigation?

I asked that question because of the concern of a number of people in British Columbia in the conservation of our natural resources, and because we are quite reliably informed that the B.C. hydro authority, because of certain expenses and circumstances that exist, intends to destroy several billion feet of timber without removing it from the basin. With this will go a certain destruction of fish and wildlife, with certain impediments to navigation, and also with a great destruction of the aesthetic values, or what I should call the intangible values, which we have discussed in recent weeks in the external affairs committee.

This matter was brought to my attention by a friend of mine who was very close to the B.C. hydro authority, and I notice several questions have been asked by the hon. member for Nanaimo-Cowichan-The Islands (Mr. Cameron) of the Minister of Public Works (Mr. Deschatelets), with respect to the same question as to whether a licence had been issued for the building of this dam.

As recorded at page 2832 of *Hansard* for May 1, the Minister of Public Works said this:

> Hon. members will recall that months ago we had secured an opinion from the Department of Justice to make sure that at the point of dam construction the Peace river was navigable. The question has also been raised as to whether the legislation as it stands is binding on the crown in the right of a province. These are questions of legal interpretation as to the precise terms of the Navigable Waters Protections Act. There are a number of amendments to that act that would be desirable, and when they are brought forward action will be recommended to remove the uncertainty to which I have referred, and to make clear the extent of the application of the act. In the immediate case, as the project is now under construction, a licence cannot be applied for, under the terms of the act, until the work is completed.

Then he went on to say, as recorded on the next page:

> It is intended to review this information with the British Columbia hydro and power authority to make sure there is no risk of prejudice to navigation and, as I said previously, amendments to the act would be desirable to remove the uncertainties; and we intend to introduce such amendments. In the meantime there exists complete co-operation with the British Columbia hydro and power authority to ensure security of navigation in the area. I hope this information will be found satisfactory by those hon. members most interested in the matter.

As a matter of fact, the matter is still in uncertain circumstances. When I received this information from Victoria I got in touch with the Department of Public Works and they informed me they had received certain

communications from the B.C. hydro authority. I told them I intended to ask this question, but just before coming into the house at 2.30 I was advised I should ask this question of the Department of Transport, as it was now handling the matter. I did ask the Acting Minister of Transport and my question was ruled out of order. That is why I am speaking now. Tonight I see the genial minister of northern affairs (Mr. Laing) is prepared to leap to his feet to answer my question, but this all indicates, shall I say, a sense of ambiguity as to who is responsible for this information. I am sure that when we have heard from the minister we will have more information than we have had to date.

I want him to answer the following questions. (1) Has the British Columbia hydro power authority applied for a licence to build a dam, and when? (2) What are the specifications of the procedure to be followed in clearing the basin of its timber resources, and are they intending to issue a licence and permit B.C. hydro authority to destroy billions of feet of merchantable timber; did they apply for a licence to flood this timber and at the same time to cut various channels needed to permit navigation on certain areas in this long basin which, I understand, is close to 250 miles in extent? (3) Can the minister report any progress with respect to the application of B.C. hydro for this permit?

We are concerned about this. We should like to get answers and we intend to follow it up closely. We are of the opinion that what happens on the Peace river will establish a pattern to be followed on the Columbia, and we want to make certain that these resources are properly dealt with. We want to protect our wildlife by making certain that the natural resources of the Peace river are protected and that an application for a licence is not complied with until this government has an assurance that the basin will be cleared according to standards proposed by the fish and game federation of British Columbia, and the rod and gun clubs of the interior of British Columbia, the west Kootenay and the east Kootenay. I look forward to the minister's reply and perhaps we will go away better informed than we are to date.

Hon. Arthur Laing (Minister of Northern Affairs and National Resources): I wish I could remain as genial as indicated by the hon. gentleman in answering this question. I would point out he can understand how I was confused with his question because he has brought in two questions, permission to construct the dam and protection for river traffic down valley.

Now he has introduced in his question of June 2 the matter of whether or not permission has been sought by the government of British Columbia to flood the timber behind the dam. I think there are some 680 square miles about to be flooded when the dam is completed and I will accept the hon. member's figure that there are probably three or four billion feet of timber there. I remember distinctly the government indicated that it intended to harvest this timber before the dam was flooded. I imagine the hon. member thinks that the action he believes is about to be taken is in contradiction of the process used in the case of Buttle lake, where I believe the roots were removed and grass seed planted on the side of the lake.

Mr. Herridge: As is quite right.

Mr. Laing: I do not know whether this will be done or not. I have not seen a statement in the press that it is the intention of the government of British Columbia to flood the timber and leave it there. It was certainly stated that they intended to harvest the timber in the basin. I assume the hon. member knows that the timber there is crown provincial timber and therefore the province of British Columbia has the right to do anything it wishes with the timber without seeking a permit from the government of Canada.

BROADCASTING—QUEBEC—REPORTED TELEVISION BROADCASTS OF SEPARATIST PROPAGANDA

[*Translation*]

Mr. Auguste Choquette (Lotbinière): Mr. Speaker, it is a very serious question that I should like to submit to the house. It concerns the Quebec T.V. station CFCM which rented weekly programs to separatist parties and also authorized adepts of the RIN and other movements such as the Phalange, to use its facilities to speak in abusive language.

Of course, I would not want this admonishment to be considered as a direct attack on a personal friend, Mr. Jean Pouliot, a very brilliant man, who is director of the Quebec division and also the son of Dr. Adrien Pouliot, one of the great pioneers of French broadcasting in western Canada.

However, a very serious problem arises. One party, namely the RIN, intends to run candidates at the next election and, for that reason, it proposes to use television to make its views known.

Section 10 of the Broadcasting Act stipulates that programs must be essentially Canadian. This means that all programs must be essentially Canadian. But American programs are allowed. There is nothing against so-called

Canadian programs. This section does not prohibit such programs over a fundamentally Canadian network. But it is exaggerated to allow anti-Canadian programs, programs that split the Canadian confederation, and I feel that this is a flagrant violation of section 10 of the Broadcasting Act.

Because we must avoid at any cost throwing our country into another political crisis when demagogues will have the opportunity to be heard as much as they want, to condemn confederation and try to destroy Canada.

Such a thing must be prevented. That is why I ask tonight the minister or his representative to be kind enough to call the attention of the board of broadcast governors to that problem, so that it will investigate, consider and listen to the recording of the speeches which were delivered in order to determine the extent to which the law was violated and what kind of sanctions can be imposed.

Mr. Speaker, I insist. Everywhere we hear talk of separatism. Mayor Jean Drapeau and the minister of natural resources of Quebec speak of two associated states; the St. Jean Baptiste societies condemn co-operative federalism. We wonder where we are going with all that.

We must avoid, at all cost, another phenomenon like Caouette, emerging in this country, because I even say I am sure that there are separatist members sitting in this house. We must prevent such a phenomenon, such an attack against confederation, and we must avoid such a political upheaval.

I will point out, Mr. Speaker—

Mr. Gilbert Rondeau (Shefford): Mr. Speaker, on a point of order—

Mr. Deputy Speaker: Order. Has the hon. member for Lotbinière completed his remarks?

Mr. Choquette: No, Mr. Speaker. I stopped because of the point of order being raised. However, I wish to continue my remarks. I would ask the hon. member to be kind enough—

Mr. Rondeau: Mr. Speaker, I raised a point of order.

Mr. Deputy Speaker: Order. Is the hon. member for Shefford rising on a point of order?

Mr. Rondeau: Yes, Mr. Speaker, I rise on a point of order. The hon. member referred to the RIN and to separatism.

I would ask him to keep to his text and to the question under consideration because right now he is the best example of a demagogue one could imagine.

Mr. Choquette: Mr. Speaker, the hon. member's argument is both childish and stupid.

I say we must prevent another upheaval and the appearance of another Caouette. We must prevent government instability and accuse separatists of openly flouting the law when they condemn confederation and call for its dissolution. We are threatened and that is what I want to prevent.

I would ask the minister or his representative to have an investigation carried out in connection with those programs and to ensure that the latter are no longer carried over the Canadian network. We have a right to insist on the application of section 10. We have a right to insist on a basically Canadian network.

[*Text*]

Mr. J. B. Stewart (Parliamentary Secretary to Secretary of State): Mr. Speaker, I should not like anybody to be misled by the interpretation of section 10 of the Broadcasting Act adopted inadvertently by the hon. member. That section does not refer to the political views enunciated by speakers on Canadian radio or Canadian television. Now that the hon. member for Lotbinière (Mr. Choquette) has identified for the house the particular program and the particular station that has caused him distress, I can assure him that his comments will be drawn to the attention of the board of broadcast governors, which board has the right to review the log of a station to ascertain if its policy with respect to equal treatment for political and controversial views is being respected. I say this merely to reassure the hon. member, and not to imply in the slightest degree that the program in question, which I did not see, was unfortunate.

Motion agreed to and the house adjourned at 10.27 p.m.

HOUSE OF COMMONS

Tuesday, June 9, 1964

The house met at 2.30 p.m.

LORD BEAVERBROOK

TRIBUTES ON PASSING OF EMINENT CANADIAN

Hon. J. W. Pickersgill (Acting Prime Minister): Mr. Speaker, I hope the house will permit me, in the Prime Minister's name, to do something which is rather unusual, about a man who was certainly unusual. I refer to the death of which we learned, in some cases, just a few moments ago, of Lord Beaverbrook who, like many a native of Ontario, was perhaps rather more attached to another part of Canada than to his native province, but whose attachment to Canada throughout his long and remarkable life gives us a reason for referring to his death after that long and very full life.

All of us recall, either in our own experience or as students of what has happened in the past, the great services Lord Beaverbrook rendered to the cause of his adopted country, to the cause of his native country and to the cause of freedom in two world wars.

We also acknowledge that he was one of the foremost native sons of our country, and I am sure we would all wish to express our sympathy to Lady Beaverbrook and all members of the Aitken family.

Mr. J. Chester MacRae (York-Sunbury): The death of Lord Beaverbrook will come as a great shock to all Canadians, but especially to those of us who live in the province of New Brunswick. Lord Beaverbrook was one of four men who came from that little province and who made their mark—Bonar Law, R. B. Bennett, James Dunn and himself. At one time three of them studied in the same small law office in Chatham, N.B.

For more than 30 years his benefactions to his native province were many, especially in the fields of education and the performing arts. Recently he built in the city of Fredericton a new theatre, which has not yet been officially opened. Hon. members will, of course, be aware of the Beaverbrook art gallery which he established. Lord Beaverbrook was especially interested in the field of education for more than 35 years, during which time Beaverbrook scholarships helped hundreds of young men and women to better lives. I join with all other hon. members in paying tribute to the memory of this great man.

Mr. Heath Macquarrie (Queens): As a former professor at the University of New Brunswick who knew and appreciate the benefactions of Lord Beaverbrook, and as one whose ancestors were, a long way back, those of Lord Beaverbrook—I remember talking to him a number of years ago and he said that at one election campaign some of his political opponents said that this man's forebears were poor peasants from the isles of Mull and Ulva—so were mine—I should like to join in the tribute being paid today.

I should like to say, as an educationist, how much all of us who are interested in education appreciate what Lord Beaverbrook did himself in this field, and how by his example he prompted other men of largesse to do the same for all good causes, the first of which was education. I join with the Minister of Transport and my hon. friend from York-Sunbury in mourning today a great Canadian who was always prepared to support great causes vigorously, effectively and courageously, whether they were popular or not. I should like to add my voice to those of the two members of the house who have preceded me in expressing my regret at the loss of a great Canadian, a great friend of scholarship and, above all, a great friend of the maritimes.

Mr. T. C. Douglas (Burnaby-Coquitlam): The members of this party would like to associate themselves with those who have paid tribute to the late Lord Beaverbrook. He was a man who made a great impact on the business life of Canada and upon the world of journalism in the United Kingdom. It is to his credit that he never lost his interest in Canada and that he spent much of his wealth in furthering education and learning in the province of New Brunswick, where his heart always remained.

He leaves behind him a recollection in the minds of all who knew of him of a man whose colourful and flamboyant career in the field of journalism left an indelible mark on that

profession. We join with those who have spoken in extending our deepest sympathy to his family.

Mr. R. N. Thompson (Red Deer): I join with other members of this house who have spoken regarding the passing of Lord Beaverbrook.

He was a man dedicated to his convictions, courageous and charitable in a truly Canadian way; a man who was not always right, but a man brave enough to fight for what he thought to be right.

As one who knew him as a personal friend, I count his passing as a great loss. It is, indeed, a loss to Canada, to the commonwealth and to the world which will surely not soon be forgotten.

Hon. J. R. Nicholson (Postmaster General): Mr. Speaker, as a native son of Newcastle, New Brunswick; as one who studied law in the same office to which reference has been made, in Chatham, New Brunswick, and in fact used the same desk and the same chair; as one who entered the university on a Max Aitken scholarship before there was a Lord Beaverbrook; as one who received a cablegram from his lordship within the last 72 hours expressing appreciation for a message I sent him on his birthday, I would like to associate myself with other hon. members of the house in their tributes to this great Canadian.

SUPPLEMENTARY ESTIMATES, 1964-65

A message from His Excellency the Governor General transmitting supplementary estimates A for the financial year ending March 31, 1965, was presented by Hon. G. J. McIlraith (President of the Privy Council), read by Mr. Speaker to the house, and referred to the committee of supply.

VACANCY

Mr. Speaker: I have the honour to inform the house that I have received a communication notifying me that a vacancy has occurred in the representation, namely Sherwood Hayes Rideout, Esq., member for the electoral district of Westmorland, by decease. Accordingly I have addressed my warrant to the chief electoral officer for the issue of a new writ of election for the said electoral district.

[Mr. Douglas.]

EXTERNAL AFFAIRS

CYPRUS—REPORTED DANGER OF OUTBREAK OF WAR

On the orders of the day:

Right Hon. J. G. Diefenbaker (Leader of the Opposition): Mr. Speaker, in the absence of the Secretary of State for External Affairs I am wondering to whom to direct a question respecting the situation in Cyprus, in particular the observation made by a Greek official that that country is in imminent danger of an outbreak of war. I hope there is some minister here today who will be able to enlighten the house in this regard.

Hon. Paul Hellyer (Minister of National Defence): Mr. Speaker, the situation is being very closely watched by the government, and I would be pleased to take this question as notice so that a fuller reply may be given by the Secretary of State for External Affairs when he is in his place.

Mr. Diefenbaker: Mr. Speaker, is the minister able to tell the house whether, in view of Cyprus being one of the countries within the commonwealth, the Canadian government has brought to the attention of President Makarios its strong feelings against his utterances, which were reported to have been that assistance would not be unwelcome from the U.S.S.R.?

Mr. Hellyer: Mr. Speaker, I am sure the Secretary of State for External Affairs, on behalf of the government, has taken all reasonable steps to maintain peace in that strife-torn island and to exercise his responsibility in a most efficient fashion.

Mr. Diefenbaker: Mr. Speaker, the question of efficiency and the like does not enter into an occasion as serious as this. I ask the minister this. Has the Canadian government, as a government which has made a great contribution to Cyprus in the peace keeping force, made clear to President Makarios its strong feelings at his reported statement—and I am going to keep within the limits of parliamentary speech—that he would be calling upon the U.S.S.R. or would welcome the U.S.S.R. to settle a matter which is particularly dangerous at this time?

Mr. Hellyer: Mr. Speaker, on the specifics of the question I think it would be wise to leave it until the Secretary of State for External Affairs, who has been conducting the negotiations on behalf of the government, is in his place and is able to give a full reply.

Mr. Diefenbaker: Will he be here today?

Mr. Hellyer: Yes, he may be here later. He is out at the airport now meeting the German chancellor, but he will be back as soon as it is reasonably possible for him to do so.

[*Translation*]

Mr. Marcel Lessard (Lake St. John): Mr. Speaker, I should like to ask the Minister of National Defence whether his department, in view of present developments in Cyprus, has taken special steps to ensure the safe withdrawal of our Canadian citizens from the island should an open conflict occur between Turks and Greeks?

[*Text*]

Mr. Hellyer: Mr. Speaker, the department has tried to take all possible contingencies into consideration.

Mr. T. C. Douglas (Burnaby-Coquitlam): A supplementary question, Mr. Speaker. I understand the minister of defence is planning to visit Cyprus fairly soon. In view of the concern which the Canadian people feel about the situation in Cyprus, has the minister given any thought to the idea of a small non-partisan committee, such as the steering committee of the defence committee, visiting Cyprus, with the double intent of helping to boost the morale of the Canadian forces who are there in knowing that members of parliament are interested in the service they are performing, and also of allaying any fears which the Canadian public may have that the status of the U.N. force is not being fully recognized?

Mr. Hellyer: I can assure the hon. gentleman, Mr. Speaker, that the morale of the Canadian troops serving in Cyprus is high. In respect of the suggestion that a small group of parliamentarians visit the island, we will be glad to take that into consideration.

CONGO—REPORTED REQUEST FOR CANADIAN MILITARY ASSISTANCE

On the orders of the day:

Hon. D. S. Harkness (Calgary North): I should like to direct a question to the Minister of National Defence. Did the government of the Congo request direct military assistance from Canada? If so, what form of assistance was requested, and what answer was given to the Congolese government?

Hon. Paul Hellyer (Minister of National Defence): Mr. Speaker, as some hon. gentlemen know, the Congolese originally asked the United Nations to arrange a training program. When the secretary general, after consulting the Congo advisory committee, replied in the negative, Prime Minister Adoula asked five countries to give training assistance on a bilateral basis. Those countries were Belgium, Italy, Israel, Canada and Norway.

Prolonged consultations were held with the Department of National Defence about the Congolese request. It was decided there were not sufficient instructors available in the Canadian army to undertake the task of training. It was felt also it would not be appropriate to undertake training assistance outside the United Nations when the request had come to and through the United Nations. It was for that reason decided not to accede to the request.

Mr. Harkness: Mr. Speaker, the minister did not answer one part of the questions concerning what type of assistance was requested.

Mr. Hellyer: It was understood the Congolese authorities were primarily interested in Canadian assistance in the field of military communications training.

IMMIGRATION

JOHN THOMADAKIS—OPPORTUNITY TO OBTAIN LEGAL COUNSEL

On the orders of the day:

Mr. David Orlikow (Winnipeg North): Mr. Speaker, I should like to direct a question to the Minister of Citizenship and Immigration. Yesterday I raised the question of the treatment of a Greek seaman, Mr. Thomadakis. I should like to ask the minister how he can square his statement yesterday that Mr. Thomadakis was informed of his right to be represented by a lawyer and that Thomadakis was satisfied with the qualifications of the interpreter who works for the department, with Mr. Thomadakis' habeas corpus application filed with the Ontario supreme court in which he states:

> On April 9, 1964 I got a letter saying I would go to court next day. I had not a chance to get in touch with anyone as the letter came in afternoon and jail regulations say I must put in requests in the morning.

Mr. Thomadakis' application further states:

> No one told about legal aid....I went to court on April 10 (38 days after my arrest) for the first time. I had no lawyer and interpreter for immigration told me to plead guilty and I go home. If I make trouble and plead not guilty I go back to jail until the case comes up again and maybe I get a heavy prison sentence.

This is a pretty serious allegation. I wonder whether the minister can make any statement on it.

[*Translation*]

Hon. René Tremblay (Minister of Citizenship and Immigration): Mr. Speaker, the case is now before the court. Moreover, I think that the allegations just made by the hon. member are part of a document which has just been submitted to an Ontario court. I wonder if it would be in order for the Minister of Citizenship and Immigration to comment on that matter at this stage of the proceedings.

[*Text*]

Mr. Orlikow: A supplementary question, Mr. Speaker—

Mr. Speaker: Order. I should like to explain to the house that the hon. member came to my office this morning to discuss this question. I thought it was a very serious matter in principle and that if he would ask a question, even if it was slightly longer than usual, he would be justified in the circumstances rather than trying to adjourn the house under standing order 26 or raising a question of privilege.

Mr. Orlikow: Mr. Speaker, I should like to ask the minister this question. If he feels he cannot make a public statement, will he at least investigate what kind of advice Mr. Thomadakis was given by the interpreter, and whether he was in fact informed that he could get free legal aid?

[*Translation*]

Mr. Tremblay: Mr. Speaker, I made a statement in the house about this and I think the answer was given at that time.

[*Text*]

Mr. T. C. Douglas (Burnaby-Coquitlam): A supplementary question, Mr. Speaker. When the minister is looking into this particular case will he also look at the much wider question which has been raised by legal aid lawyer Allan Mintz, who has made the statement that he visited the Don jail and that he finds there are 20 prisoners there, all of whom have informed him they were never told at any time that they were entitled to legal counsel? The names of ten of them are listed, and he is investigating nine others he has found are in Don jail. Could the minister give us a report on this matter at an early date?

[*Translation*]

Mr. Tremblay: Mr. Speaker, I am informed by officials of my department that, in every case, detained persons were told that they could secure legal counsel to present their case.

As for the report purporting that my statement to the house was contradictory in so far as the number of persons detained under the Immigration Act and the number of persons imprisoned in the Don jail in Toronto are concerned, I wish to point out to the house that, when I mentioned those cases, I was referring to detained persons awaiting deportation and not at all to those who had sentences to serve and who, therefore, are imprisoned for relatively longer periods according to sentences passed by the court.

[*Text*]

Mr. Orlikow: A supplementary question, Mr. Speaker. Would the minister consider the suggestion made the last time we discussed this matter and which we make again today, that he arrange to have inquiries made about this very serious matter by people outside of his department, who can be somewhat more impartial than the officials who are involved in these cases?

[*Translation*]

Mr. Tremblay: I have full confidence in the officials of my department in that connection.

[*Text*]

Mr. Peters: Nobody else has. It's about time you guys over there smartened up or you won't be there long.

Mr. Speaker: Order.

Right Hon. J. G. Diefenbaker (Leader of the Opposition): I should like to direct a question to the minister of immigration and ask him this. In view of the very serious allegations that have been made against conditions in his department which, if true, ought not to exist, will he not, in the public interest, have an investigation made into these questions? I suggest a one man royal commission. It would not take long. The minister smiles about protecting the subject in this way. I am very surprised to see him smiling and sneering.

Some hon. Members: Oh, oh.

Mr. Diefenbaker: I ask him this. Does the liberty of the subject mean nothing to him? If it does, will he appoint a one man commission, perhaps a member of the bar? There

will be a lot of them available to look into this and ascertain if this type of tyranny does exist.

Some hon. Members: Answer.

Mr. Diefenbaker: I ask the minister, is this the answer he gives when the liberty of the subject is at stake; silence?

[*Translation*]

Mr. Tremblay: Mr. Speaker, the principle of the freedom of individuals and of Canadians is respected by every official of my department, and I do not need any outsider to inquire on that matter. It would be an insinuation that we, in my department, are not respecting that principle. All the officials of my department are guided by this principle. Besides, every time a mistake is made I call it to the attention of my senior officials, as I am responsible for this department.

[*Text*]

NORTHERN AFFAIRS

QUEBEC—ADMINISTRATION OF ESKIMO AFFAIRS

On the orders of the day:

[*Translation*]

Mr. Gilles Grégoire (Lapointe): Mr. Speaker, may I direct a question to the Minister of Northern Affairs and National Resources?

Is the Quebec department of natural resources being approached with a view to renewing negotiations on the transfer of the administration of Eskimo affairs?

[*Text*]

Mr. Speaker: Order, please. It seems to me that this question has been asked during the last two days. I do not believe there is that pressing urgency that requires a detailed answer at the moment. Would the hon. member put it on the order paper?

[*Translation*]

Mr. Grégoire: Mr. Speaker, I have a supplementary question on the same subject.

Would the Minister of Northern Affairs and National Resources inform the house whether the Minister of Justice is now in Quebec to carry on negotiations on behalf of the Minister of Northern Affairs and National Resources?

[*Later:*]

Mr. Speaker, I am sorry to extend the question period but, in my opinion, my question would allow the house to be informed first of a fact, before it appears in the newspapers of the country.

Inquiries of the Ministry

I direct my question to the Acting Prime Minister. Can the minister tell us whether it is true that the Minister of Justice (Mr. Favreau) went to Quebec today in order to resume negotiations with the province of Quebec regarding the transfer of the Eskimo administration?

[*Text*]

Hon. J. W. Pickersgill (Minister of Transport): Mr. Speaker, I have no idea why the Minister of Justice is in Quebec. I was in Winnipeg when he left, and I did not ask him. I suggest that the hon. member wait until the minister comes back and then ask him.

AIRPORTS

BRITISH COLUMBIA—REPORTED STATEMENT AS TO HAZARDOUS CONDITIONS

On the orders of the day:

Mr. H. W. Herridge (Kootenay West): Mr. Speaker, I wish to transport a very serious question to the Minister of Transport. In view of the very serious statements made by the minister of highways in British Columbia to the effect that numerous airports in British Columbia which come under the minister's jurisdiction are in a hazardous condition and unsafe, has he had this question looked into? This is a serious charge which a minister of the crown in British Columbia makes.

Hon. J. W. Pickersgill (Minister of Transport): I did notice the statement, sir, and I have caused an inquiry to be made into it. I hope it is not based on that minister's piloting of planes if it is anything like his driving of cars.

NATIONAL DEFENCE

REASON FOR RETIREMENT OF SENIOR OFFICER

On the orders of the day:

[*Translation*]

Mr. Guy Marcoux (Quebec-Montmorency): Mr. Speaker, may I direct a question to the Associate Minister of National Defence?

Is the decision taken by General Bernatchez to resign from the armed forces related directly or indirectly to the minister's decision to reduce the army establishment?

Hon Lucien Cardin (Associate Minister of National Defence): Mr. Speaker, if my hon. friend read yesterday's press release, he knows the reasons which brought about General Bernatchez's retirement.

Inquiries of the Ministry

Mr. L. J. Pigeon (Joliette-L'Assomption-Montcalm): Mr. Speaker, may I ask a supplementary question?

Could the minister tell the house what position had been offered to General Bernatchez?

Mr. Cardin: As General Bernatchez refused the offer, I do not think it would be fair to the person who will accept the position to make this information known to the public.

Mr. Pigeon: Mr. Speaker, I rise on a question of privilege. I think the house is entitled to know—

[*Text*]

Mr. Speaker: Order. There is no question of privilege.

[*Translation*]

Mr. Pigeon: That is discrimination. Mr. Speaker, may I deal with that question after ten o'clock?

[*Text*]

INQUIRIES FOR RETURNS

On the orders of the day:

Mr. J. B. Stewart (Parliamentary Secretary to Secretary of State): Yesterday the hon. member for Grey-Bruce asked that a list be tabled showing the number of returns still to be made from the last session and this session. With the permission of the house I should like now to table such a list. This list will show one return outstanding from the last session and 26 outstanding from this session, a session in which 119 orders for returns have been made.

Mr. Speaker: Does the house give consent?

Some hon. Members: Agreed.

TRADE

TARIFF CONCESSIONS TO AUTOMOBILE FACTORIES LOCATING IN QUEBEC

On the orders of the day:

Hon. Léon Balcer (Three Rivers): I would like to direct a question to the Minister of Finance. I wonder if the minister can state whether the government has reached a decision on tariff concessions to be made to the Renault and Peugeot car manufacturers so they can establish themselves in Quebec?

Hon. Walter L. Gordon (Minister of Finance): Mr. Speaker, no firm proposal has been received upon which the government could take a decision. Any proposal that may be received will be given careful and sympathetic consideration.

Mr. Balcer: May I ask a supplementary question. Can the minister tell us whether he or the government has received any representations from the Quebec government on this matter?

Mr. Gordon: I would be glad to take that question as notice, Mr. Speaker, but I repeat that the government has received no specific proposal.

[*Translation*]

Mr. Gilles Grégoire (Lapointe): Mr. Speaker, I wish to direct a supplementary question to the Minister of Finance. Can he tell us whether his department would be ready to give French automobile firms the same tariff reductions as those granted to the Volvo company which established itself in Nova Scotia?

[*Text*]

Mr. Speaker: Order, please. This question, it seems to me, is out of order.

THE MINISTRY

APPOINTMENT OF EXECUTIVE ASSISTANTS IN HOME RIDINGS

On the orders of the day:

Mr. R. N. Thompson (Red Deer): Mr. Speaker, my question is directed to the Secretary of State. In view of the recent order in council which authorizes the appointment of civil servants to the personal staff of certain cabinet ministers to serve in their home ridings, could the minister explain on what basis such appointments were made?

Some hon. Members: Oh, oh.

Hon. Paul Hellyer (Minister of National Defence): I am sorry, Mr. Speaker, I was engaged in—

Mr. Starr: If the cap fits wear it.

Mr. Thompson: If the Secretary of State is unable to answer the question, could the President of the Privy Council answer it?

Hon. G. J. McIlraith (President of the Privy Council): Mr. Speaker, I will certainly look into the question and see what answer can be brought forward.

Some hon. Members: The truth.

Mr. McIlraith: The question contains certain allegations of fact, and I am certainly not prepared to admit those allegations without examination.

[*Later:*]

Mr. Terry Nugent (Edmonton-Strathcona): I have a question for the Minister of Citizenship and Immigration. As the minister has just seen fit to appoint a special assistant to work in his riding, I wonder if he can tell the house whether there was ever before an office of the Department of Citizenship and Immigration in Baie des Sables; and since this man is to be paid $7,500 by the taxpayers of Canada, can the hon. gentleman tell the house what job he is going to carry out?

Mr. Speaker: I am not sure whether this question is in order. In any event, would the hon. member kindly put it on the order paper.

Mr. Nugent: The hon. member for Red Deer has already asked a question of the President of the Privy Council along these lines, and this is a specific question on the same subject. I intended to ask the Minister of National Health and Welfare a further specific question, both of which would provide the basis—

Mr. Speaker: The hon. member knows there are other means of getting this information.

HOUSE OF COMMONS

POSSIBILITY OF CHANGE IN HOUSE LEADERSHIP

On the orders of the day:

Right Hon. J. G. Diefenbaker (Leader of the Opposition): Mr. Speaker, I would like to ask the Acting Prime Minister, who I take it is the Minister of Transport, whether the announcement of the Minister of Justice last night that he was apparently being relieved as house leader, or wanted to be relieved, has any foundation in fact.

Hon. J. W. Pickersgill (Acting Prime Minister): Mr. Speaker, I do not know whether the right hon. gentleman, who I believe is a greater amateur with respect to television than I, saw the program last night, but I did happen to see it and I heard what the Minister of Justice said. He was asked whether it was possible for him to carry on for any length of time with the multifarious duties he has undertaken; and he did indicate, as I listened to it, that he was considering asking the Prime Minister, if at a convenient time he might be relieved of the position of house leader.

I can understand his feelings in that regard because I shared them not very long ago, but of course this is a matter between my hon. friend the Minister of Justice and my right hon. friend the Prime Minister, on which I would not presume to give an answer.

CANADIAN FLAG

PROCEDURE RESPECTING CONSIDERATION OF RESOLUTION

On the orders of the day:

Right Hon. J. G. Diefenbaker (Leader of the Opposition): The hon. gentleman having spoken with that voice of experience that applies to all departments, may I ask him as Acting Prime Minister, and one experienced as house leader, whether there is any foundation for a statement made by an hon. member of another place that the government's intention is to proceed on Thursday with the flags resolution and then, after discussion for one day, to postpone further discussion—indeed, almost to leave the matter in cold storage.

Hon. J. W. Pickersgill (Acting Prime Minister): Mr. Speaker, notwithstanding the vast experience I have had in many fields, of course I have had nothing like the experience of the right hon. gentleman. I have never been prime minister, and I imagine any prime minister would realize that, in this house, we do not debate the proceedings in another place.

Mr. Diefenbaker: I did not say it was in the other place. I said it was said by an hon. member belonging to another place. I now ask the minister, is it a fact that the government intends to go ahead for one day and then take no further action for several months on the flags resolution?

Mr. Pickersgill: That is a supposition, and I am very glad the right hon. gentleman did not deny himself the privilege of his usual flag question for the day.

Mr. Diefenbaker: I am trying to find out if the government is going to put its flag up to the mast, or pull it down even before it has been put up.

Mr. Pickersgill: Well, it is not going to fly it at half mast, as the right hon. gentleman did in this country for six years.

[*Translation*]

Mr. L. J. Pigeon (Joliette-L'Assomption-Montcalm): Mr. Speaker, in order to please members on the government side I wish to ask the Acting Prime Minister whether the government drew its inspiration from the proposal made to the house, on March 21,

1946, by Mr. Bona Arsenault, a member of parliament at that time, in which he suggested two flags, that is the union jack and the maple leaves?

[*Text*]

Mr. Pickersgill: Mr. Speaker, I congratulate the hon. gentleman on his futile researches.

Mr. Pigeon: As a supplementary question, I ask the Minister of Transport if Mr. Smallwood knows something about that.

Mr. Speaker: Order, please. The hon. member for Nicolet-Yamaska.

[*Translation*]

Mr. Clément Vincent (Nicolet-Yamaska): Mr. Speaker, I should like to direct a supplementary question to the Minister of Transport. Could he tell us whether resolutions 44 and 45 listed on the order paper today will meet a fate similar to that of the resolution concerning the appointment of an eastern and western minister of agriculture, which stood for eight months on the order paper last year and was never considered?

[*Text*]

[*Later:*]

Mr. H. Russell MacEwan (Pictou): I have a question for the Minister of Transport. In view of the lack of exact information as to when the flag resolution will come before the house, I wonder whether the hon. gentleman has yet prevailed upon the Prime Minister and the cabinet to take away the two-flag resolution and replace it with the three-flag resolution for which he expressed a preference—

Mr. Speaker: Order. This question is out of order.

POST OFFICE DEPARTMENT

WINNIPEG—POSSIBLE USE OF MAILS TO DEFRAUD

On the orders of the day:

Hon. J. R. Nicholson (Postmaster General): Mr. Speaker, on May 5—

An hon. Member: Over a month ago.

Mr. Nicholson: —the hon. member for Winnipeg North Centre inquired about a possible fraudulent use of the mails by a finance company in Winnipeg, which allegedly resulted in severe financial losses to a victim. I thank the hon. gentleman for having sent me a copy of the newspaper in question which gave him the information.

[Mr. Pigeon.]

I have looked into it, and I might say that a month has not elapsed, because I communicated with the hon. gentleman within two weeks and advised him what was being done. I believe that the important consideration in this case, based on the information I have received, does not lie in the mailing of the circular as referred to in the newspaper article. Rather it arises out of a series of conversations that took place between representatives of the organization in question, the First Financial Federation, and one Benjamin Ivison, the victim, and transactions did take place as a result of these interviews rather than as a result of the use of the mails.

No action could be initiated by the Post Office Department with regard to an alleged misuse of the mail unless we were in a position to prove that the transactions arose out of the use of the mails rather than a personal interview. As a result we have not been able to take action. I have been informed, and this information has been passed on to my hon. friend the hon. member for Winnipeg North Centre, that the attorney general of the province of Ontario, whose responsibility it is, is looking into the matter to determine whether any action can possibly be considered against the firm or its representatives.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, I assume the reference was to the attorney general of Manitoba, but that was not my point in rising at this moment. Was it not established that the victim in this case received his first invitation to approach this firm through the mails?

Mr. Nicholson: That is not my information, Mr. Speaker.

INQUIRY AS TO POSSIBLE CHANGES IN POSTAL RATES

On the orders of the day:

Mr. R. W. Prittie (Burnaby-Richmond): I realize that Your Honour pointed out that the question period was very long, but I have been trying to get the floor for 45 minutes. I have a question for the Postmaster General concerning his statement on postal rates at Charlottetown. Does this mean that the government intends to drop its plans to increase local first class rates and increase the rates of second and third class mail?

Hon. J. R. Nicholson (Postmaster General): No, Mr. Speaker.

FLOODS

YUKON—INQUIRY AS TO STEPS TO MEET SITUATION

On the orders of the day:

Mr. M. J. Moreau (York-Scarborough): Mr. Speaker, I have a question for the Minister of Northern Affairs and National Resources. In view of the very serious flood conditions in Mayo and elsewhere in the Yukon, could the minister inform the house of any action the officers of his department might be taking, or are taking in this regard?

Hon. Arthur Laing (Minister of Northern Affairs and National Resources): I thank the hon. member for having asked this question, because I am quite certain that if the hon. member for Yukon had been in the house today he would have asked it.

An hon. Member: He is out looking at the floods.

Mr. Laing: If he is on the way there, then I commend him. The circumstances of the flood at Mayo are that this is an occurrence not unusual in the area but of more than usual severity this year. I have been talking within the last hour to the commissioner of the Yukon, Mr. Gordon Cameron, and find that he not only took immediate action but that he took action beforehand inasmuch as he set several men to repairing dikes a number of days before the occurrence.

Certain people have been moved out. Mr. McIntyre, our mining recorder in the area, is in complete charge and he has authority to make all commitments and to spend funds which are necessary for the protection of the people and to relieve the situation as quickly as possible.

WATERTON LAKES PARK—STEPS TO ALLEVIATE SITUATION

On the orders of the day:

Mr. D. R. Gundlock (Lethbridge): I wish to direct a question to the Minister of Northern Affairs and National Resources. It arises from reports I have received only in the last hour or two by long distance telephone of disastrous flood conditions in Waterton Lakes national park. This is, I believe, the first serious flood in more than 50 years. Would the minister indicate what steps his department intends to take to alleviate this disaster?

Hon. Arthur Laing (Minister of Northern Affairs and National Resources): I have been talking within the past hour to Mr. B. I. M. Strong, our regional supervisor in Calgary, who reports that this flood has occurred as the result of an unprecedented downpour of more than seven inches in 24 hours.

An hon. Member: You prayed for rain too hard.

Mr. Laing: We might possibly get a transfer made. We are faced with a very serious overflowing of Cameron creek, and considerable damage has been done. Mr. Strong has been in touch with our superintendent there, Mr. F. C. Browning, who is now accompanied, and has been since yesterday, by Mr. Tom Fenton, the regional engineer of my department and by the regional engineer of the Department of Public Works.

It would appear that considerable damage has been done to bridges and, again, Mr. Browning has been authorized to make whatever commitments are required to take care of the situation. Happily the crisis is now over, and there has been a reduction in the water level by some 10 inches in the last four hours.

Mr. Gundlock: Would the minister indicate whether funds will be available to help those residents and businessmen who suffered as a result of flood damage?

Mr. Laing: I do not wish to make any comment on that until an assessment has been made of private damage.

CANADIAN BROADCASTING CORPORATION

COMPARABLE EXPENDITURES ON ENGLISH AND FRENCH TALENT

On the orders of the day:

Mr. D. M. Fisher (Port Arthur): I wish to ask the Secretary of State if he can find out from the C.B.C. whether the corporation plans to make any kind of public reply or response to the claim put forward by the association of Canadian television and radio artists that $4 million more a year is being spent by the C.B.C. on French talent than on English talent.

Mr. Speaker: Order. This is a question for the order paper.

Mr. Fisher: I suggest that you look at the question, Mr. Speaker. I was not asking for specific information; I was asking if the minister could get a reply. I have not been able to get one from the C.B.C. on this matter.

Hon. Maurice Lamontagne (Secretary of State): I will certainly make an investigation

and give a reply. In the meantime, I understand that the C.B.C. itself intends to issue a statement, or perhaps has already done so.

CONSUMER CREDIT

SALARIES OF ADVISERS TO JOINT COMMITTEE

On the orders of the day:

Mr. A. D. Hales (Wellington South): I wish to direct a question to the Minister of Finance. Has the minister authorized the payment of salaries to the extent of $250 per day and $100 per day respectively to Mr. John J. Urie, a lawyer, and Mr. Jacques L'Heureux, an accountant, who are acting as advisers to the joint committee on consumer credit?

Mr. Speaker: It does seem to me that this question is important but not so pressing as to require an immediate answer.

Some hon. Members: Oh, oh.

Mr. Speaker: I wonder if the hon. member would put it on the order paper.

Mr. Hales: With all due respect, I think this is a matter of great interest at the moment. I think we should know, before we proceed, whether it is correct.

Hon. Walter L. Gordon (Minister of Finance): I will be glad to look into the situation and report tomorrow.

LABOUR CONDITIONS

INQUIRY AS TO STEPS TO DEAL WITH UNEMPLOYMENT

On the orders of the day:

[*Translation*]

Mr. Marcel Lessard (Lake St. John): Mr. Speaker, I should like to direct a question to the Minister of Labour. Following a certain statement to the effect that he must reconsider unemployment problems and measures to cope with them, is the minister able to inform the house as to the measures he intends to use against unemployment, one of our main antagonists?

Mr. Pigeon: Remove the 11 per cent tax.

[*Text*]

Mr. Speaker: It seems to me that this question has been asked several times this session. In any event, would the hon. member put it on the order paper.

[*Translation*]

Mr. Lessard (Lake St. John): Mr. Speaker, I would like to ask a supplementary question. This statement was made recently and it appeared in yesterday's newspapers. I believe that it indicates progress in government research to solve unemployment problems. It seems important to me that the members of this house should be informed of such progress, since we have all been waiting a long time for these solutions.

Mr. Pigeon: Remove the 11 per cent tax.

[*Text*]

LABOUR RELATIONS

LIVING ALLOWANCE OF JUDGES ON CONCILIATION BOARDS

On the orders of the day:

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I direct a question to the Minister of Labour. Can the minister say whether it is true that federally appointed judges serving on conciliation or arbitration boards are now allowed living expenses of up to $100 a day? If so, by what authority are these payments made?

Hon. A J. MacEachen (Minister of Labour): No. My information is that this is not of general application. Such an allowance was made to one particular justice because of the extraordinary demands made on his time and the additional expenses he had to incur. I refer to the conciliation procedure respecting non-operating employees of the railway companies. In that case an additional allowance was made. The regular allowance was paid in all other cases.

Mr. Knowles: Could the minister confirm what is that regular maximum allowance?

Mr. MacEachen: To my knowledge the amount is 60 a day, but if that proves to be incorrect I will advise the house tomorrow.

Mr. Knowles: Would the minister advise the house by what authority even that amount is paid?

Mr. MacEachen: That involves a legal opinion which I would hesitate to give in the house. I understand the background of this question; I know the Auditor General has made some comments on this matter. But it is a legal question.

Mr. Knowles: Is there an order in council providing for this?

Mr. Speaker: May I suggest that these questions be put on the order paper.

TRANSPORT

NEGOTIATIONS RESPECTING SATELLITE TRACKING STATION

On the orders of the day:

Mr. Robert Muir (Cape Breton North and Victoria): I have a question for the hon. member for Bonavista-Twillingate in his dual capacity as Acting Prime Minister and Minister of Transport. I wonder if the hon. gentleman could bring us up to date regarding the negotiations which I hope are still going on between the telecommunications branch of the Department of Transport and the United States weather bureau and the national aeronautic space agency with regard to the proposed Nimbus satellite tracking station, about which we have not heard anything for some time.

Hon. J. W. Pickersgill (Minister of Transport): I do not think I could embark on so large a question on the orders of the day.

Mr. Speaker: Exactly.

Mr. Muir (Cape Breton North and Victoria): With all due deference to you, sir, this is not a new question. Precedent has been set for it. This is both a national question and an international question. I realize the minister may not have everything in his nimble mind at the moment, but even so he could take the question as notice.

Mr. Pickersgill: I believe that under the rules the proper place to give notice of questions is on the order paper.

SOCIAL ASSISTANCE

SASKATCHEWAN—PROPOSED REQUIREMENT THAT RECIPIENTS WORK FOR AID GIVEN

On the orders of the day:

[*Translation*]

Mr. Guy Marcoux (Quebec-Montmorency): Mr. Speaker, I should like to direct a question to the Minister of National Health and Welfare.

Since the new minister of welfare in Saskatchewan has decided that people now receiving social assistance and able to work would be assigned to public work projects specially designed for them, could the minister tell us whether her department was consulted by the new welfare minister of Saskatchewan before he announced that decision?

[*Text*]

Mr. Speaker: Would the hon. member put this question on the order paper. Orders of the day.

Some hon. Members: Oh, oh.

Mr. Speaker: I wonder if I might point out to hon. members that we have been on questions now for just short of one hour, and the question period seems to be lengthening each day. It is not up to me to stop questions, but on the other hand we do need the co-operation of all hon. members if we are to carry out the business that is before the house.

TELEVISION

REMOVAL OF FREEZE ON PERMITS FOR CABLE TELEVISION SERVICE

On the orders of the day:

Mr. Bert Leboe (Cariboo): I would like to ask my second question of the session if you don't mind, Mr. Speaker. I would like to ask the Minister of Transport whether he has anything to offer the house in connection with a report on the lifting of the freeze as far as community antennae and closed circuit television are concerned.

Hon. J. W. Pickersgill (Minister of Transport): Mr. Speaker, I hope there will be a possibility of making a full statement on that subject before the end of the month.

Mr. A. D. Hales (Wellington South): I have a supplementary question for the Minister of Transport, Mr. Speaker. On May 12 the minister gave that exact answer to me, or at least an answer along that line, and said that within two weeks he would make an announcement.

Mr. Pickersgill: Mr. Speaker, I think the hon. gentleman is mistaken. I think I said that I hoped to do so, and hope springs eternal.

EDUCATION

LOANS TO STUDENTS—INQUIRY AS TO LEGISLATION

On the orders of the day:

Mr. Charles Lamb (Victoria, Ont.): Mr. Speaker, I have a question for the Prime Minister, but in his absence I would direct it to the Acting Prime Minister. As I have had many inquiries, and time is important, I would like to ask the Acting Prime Minister if he could say when the loans will be available to students so they can make arrangements for their university enrolment.

Mr. Speaker: I believe this question was asked about two weeks ago. I realize the

importance of trying to find out by a certain date, but would the hon. member put his question on the order paper for a detailed reply.

Mr. Lamb: Mr. Speaker, this question has been asked before and we have received no answer. It is a very important question and I would like an answer today if I could get it.

Mr. Pickersgill: Perhaps Your Honour would permit me to answer this question since the hon. gentleman very rarely asks questions and also because there is a great deal of interest in this matter of student loans. The government is making every possible effort, but it will be appreciated that there has to be discussion with the provincial governments. We hope to get the necessary motion on the notice paper just as quickly as we can, and after that it will depend on the house.

Mr. T. C. Douglas (Burnaby-Coquitlam): A supplementary question, Mr. Speaker. Could I ask the minister whether he has now received the consent and acquiescence of all the provincial governments with reference to the legislation which the government has in contemplation in this regard.

Mr. Pickersgill: I understand not, Mr. Speaker.

Mr. Douglas: Then could the minister tell us how many provinces are still withholding agreement?

Mr. Pickersgill: I do not think it is a matter of consent at all; it is a matter of the discussion of arrangements which are in their essence rather complicated.

INDIAN AFFAIRS

READINESS OF PROVINCES TO ATTEND CONFERENCE

On the orders of the day:

Mr. Robert Simpson (Churchill): Mr. Speaker, I should like to ask the Minister of Citizenship and Immigration whether he is now in a position to answer the question which I posed to him last Thursday in relation to which provinces have signified they are ready to attend the federal-provincial conference on Indian affairs and which provinces are not ready to do so until October.

[*Translation*]

Hon. René Tremblay (Minister of Citizenship and Immigration): Mr. Speaker, I shall answer that question tomorrow.

[Mr. Speaker.]

[*Text*]

NATIONAL HOUSING ACT

AMENDMENTS RESPECTING RENEWAL PROGRAMS, PUBLIC HOUSING PROJECTS, ETC.

The house resumed, from Monday, June 8, consideration in committee of Bill No. C-102, to amend the National Housing Act, 1954—Mr. Nicholson—Mr. Lamoureux in the chair.

The Chairman: Order. House again in committee of the whole on Bill No. C-102, to amend the National Housing Act, 1954. When the committee rose last evening we were about to consider clause 8 on page 9 of the bill. Shall clause 8 carry?

On clause 8.

[*Translation*]

Mr. Gauthier: Mr. Chairman, I merely wish to ask the minister further information concerning the designated areas mentioned yesterday.

I should like to ask the minister whether he means by designated areas the 35 areas designated by the federal government as depressed areas and whether they will have to be designated by municipalities or the province following agreement with the federal government. Is it one or the other?

The Chairman: Does the question of the hon. member refer to clause 8 of the bill?

Mr. Gauthier: Mr. Chairman, it refers to it generally. I meant to ask it last night. I simply want to know who will designate those areas.

[*Text*]

Mr. Nicholson: Mr. Chairman, in answering the hon. member's question I would say that it does not refer to the 35 designated areas. It refers to areas that may be designated after a municipality has conferred with the province, and in some instances with Central Mortgage and Housing Corporation. This would be done only after the province has approval of the designated area. There could be any number of them within a province.

Mr. Brewin: Mr. Chairman, I want to ask the minister whether in clause 8 of the bill, consideration was given to meeting the request of a committee from the city of Toronto to include day care centres within the realm of housing projects under the act.

Mr. Nicholson: Mr. Chairman, in answering the question put by the hon. gentleman I would say that I explained to the delegation

that was here that full consideration had not been given to that particular subject, but that it was an important one and merited serious consideration; that if we had to open up negotiations with all ten provinces we might lose several months' time, and I understood that the delegation were in agreement that we should proceed with the resolution that was on the order paper and give consideration to their proposal perhaps next year or at a later date.

Clause 8 agreed to.

Clauses 9 and 10 agreed to.

On clause 11—*Loans for university housing projects.*

Mr. Nicholson: Mr. Chairman, in the course of the discussion yesterday I assured the hon. member for Grey-Bruce that I would deal with his question in the clause by clause discussion. If hon. members will look at clause 11 they will see that provision is made for loans to universities, co-operative associations and charitable corporations for the purpose of assisting in the construction of a university housing project or the acquisition of existing buildings.

Answering the hon. member's specific question, technically it is possible for C.M.H.C. to lend money for the purpose he has mentioned, but in view of the continuous demand for the money of C.M.H.C. and the criticisms which have been made in the past in the case of properties which have been acquired with C.M.H.C. funds and allowed to stand idle, I doubt whether too much help will be made available under this section for the purpose suggested by the hon. member.

However, I would point out that, in the same clause in the bill, provision is made for the acquisition of existing buildings to be used for such a purpose. I have had discussions, both before and since the question was asked, about the possibility of universities acquiring existing buildings for such a purpose, using the new provisions of the bill when they become law, and at a later date either remodelling these buildings or replacing them with new ones. In my view that is the only practical way in which this provision is likely to benefit universities at the present time.

Mr. Hales: Is the interest rate spelled out a little later on in the bill; and what percentage can universities borrow on the cost of an existing building?

Mr. Nicholson: The interest rate is dealt with in the act as it now exists. Provision is made in this amending bill, in one of the clauses which were approved last night, to ensure that the rate would be no higher for new undertakings, whether they be university housing projects or homes for senior citizens, than it is under the original act. The rate is flexible. It is tied in with the rate at which the federal government borrows money. But the assurance is given in one of the clauses approved last night that there would be no increase in the rates for any new projects covered by this bill over rates for existing projects.

Mr. Winkler: Mr. Chairman, I appreciate the explanation of the minister, but he was certainly non-commital with regard to the acquisition of lands for the purpose I referred to yesterday. I think the minister realizes, because of the understanding which was inherent in his words, that it is not always possible to budget within a given year or two years with regard to the projected plans of a school or university, a difficulty to which I referred in my remarks last evening. However, I believe that the points I have in mind can be dealt with privately with the minister, since he appears very amenable regarding the jurisdiction of this particular clause, so I will deal with these points on that personal basis.

Clause agreed to.

Clauses 12 and 13 agreed to.

On clause 14.

Mr. Starr: Mr. Chairman, I have a few remarks to make on this clause with respect to the sewage disposal program. This program was initiated for two purposes: one, to provide the facilities which were so lacking in municipalities, and two, to assist in their financing. I am referring to the construction of sewage disposal plants which would help alleviate the pollution of the waters of this country. Originally the intention was that in order to speed up the construction of these sewage disposal plants, a date was set by which a plant had to be completed in order to qualify for the forgiveness clause. I notice that in the amendment on page 15 of the bill the government is prepared to forgive 25 per cent of the moneys advanced up to March 31, 1967 irrespective of whether a plant has been completed. I am wondering what is the thinking behind this. Does the minister not think this might slow down this construction program to the extent that it would be negligible?

Mr. Nicholson: Originally, Mr. Chairman, it was hoped that this forgiveness feature would encourage the municipalities to take advantage of it and thus provide employment. However, experience to date has shown that the utilization of this section is even more important than the incentive to employment at a time when the low employment feature is important. The pollution of water and other matters have now superseded the urgency of providing employment. There are a number of municipalities which are realizing, as the result of the experience of others about which they have heard, that they should take advantage of the facilities, as provided under the act, and rather than chop it off, it is the government's decision that municipalities should be allowed until this date in 1967 to complete such works.

Mr. Starr: In view of the fact that this date is now extended to March 31, 1967, which in fact provides a further three years of opportunity, does the minister not think that since a plant does not necessarily have to be completed to qualify for this forgiveness clause it might in fact retard construction? I am not thinking of the employment aspect here because in fact there is very little labour content, in my estimation, in these plants; but it would help the pollution problem in this country.

Mr. Nicholson: The advice I have received from the experts advising me in the matter is that the Canadian public have become so conscious of the dangers of pollution that that need in itself will take care of the situation. They feel that it is more important to encourage people to use the facilities and provisions of the act to install pollution control and sewage facilities than to chop off loans at the earlier date, or at least to eliminate the forgiveness feature at an earlier date.

Mr. Starr: Is not the minister saying that in accordance with the present provisions this program only is extended to March 31, 1967? In other words, that is the chopping off date in any event.

Mr. Nicholson: That is right.

Mr. Starr: Is the minister saying that the intention of the government, or the intention of the experts in his department, when that date expires, is to extend the time still further?

Mr. Nicholson: No. We have no intention of holding out any hopes that there will be any extension beyond that date. We intend to give adequate publicity to the fact that it is now being extended to 1967, assuming that this bill passes, in the hope that municipalities in every part of Canada will be anxious to take advantage of it, and to take advantage of the forgiveness feature before the extended time expires.

Mr. Hales: Would the minister not agree that there seems to be some overlapping here? The government instituted the municipal loan fund, which itself seems to provide these facilities which are outlined in this provision of the bill. Why is this necessary when use can be made of the municipal loan fund?

Mr. Nicholson: It is quite possible that these facilities could be provided under the municipal loan fund procedures, but Central Mortgage and Housing Corporation have been doing certain work for other agencies of government as well as this particular work since Central Mortgage and Housing Corporation embarked upon a sewage disposal program, and for that limited period, whether it be March 1965 or March 1967, it was felt better to leave it in the hands of an organization which we think has done a very good job for Canadians in years past.

Mr. Hales: I quite agree with the minister, but it does appear that the municipal loan fund is superfluous in this regard.

Mr. Nicholson: As regards sewage, possibly, yes.

Mr. Pugh: In view of the extension of time I wonder whether the minister can tell me how many projects are now actually under construction.

Mr. Nicholson: I cannot answer that, Mr. Chairman, but I will be glad to get the information and see that it is furnished to my hon. friend.

Clause agreed to.

Clauses 15 and 16 agreed to.

Title agreed to.

The Chairman: Shall I report the bill?

Some hon. Members: Agreed.

Mr. Starr: That is an example of how a good minister can get legislation through the house.

Bill reported.

Mr. Deputy Speaker: When shall the said bill be read the third time? Now, by leave?

Some hon. Members: By leave.

Mr. Nicholson moved the third reading of the bill.

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

FARM CREDIT ACT

AMENDMENTS INCREASING AUTHORIZED CAPITAL, MAXIMUM LOAN LIMITS, ETC.

The house resumed, from Tuesday, June 2, consideration of the motion of Mr. Hays for the second reading of Bill No. C-100, to amend the Farm Credit Act.

Mr. S. J. Korchinski (Mackenzie): Mr. Speaker, I understood that another member adjourned the debate the last time this matter was before the house. However, if he is not prepared to speak at this time I should like to say a few words. There seems to be a feeling that bills have to be passed in a hurry for fear that one may be accused of holding up legislation. However, with the record set by the government of introducing legislation and having to withdraw some of it after scrutiny, I feel I should say a few words at this time.

My first words are of commendation of the farm credit advisers within the department. They have done a fine job with the existing legislation. In the last year some 21,000 would-be applicants consulted with the advisers. Of these some 9,800 completed the forms. Some 3,000 did not complete the forms, but they were either ineligible or were merely seeking some advice in respect of financing. This in itself is an invaluable service to the farming community.

In the few years that the Farm Credit Corporation have been in existence they have made a substantial number of loans. In 1959-60 there were 5,339 loans made. There were 5,597 loans made in 1960-61, 5,885 in 1961-62, 7,438 in 1962-63 and 8,689 in 1963-64. This indicates that there is increasing interest in the availability of loans to farmers. But what is remarkable is that of some 24,000 loans that have been made in the last five years, only eight properties are at present being held by the corporation. This in itself speaks very highly for the farm credit advisers and for the farmers who have obtained these loans.

In the fiscal year 1962-63 some 94.3 per cent of the loans were in good standing. It is understandable that there may perhaps be certain cases where the payments could not be made at the required time because of circumstances that may have arisen. However, a record of that type should commend itself to the house. It arises out of the fact that the legislation makes it quite easy for farmers to repay their loans, and at the same time the legislation performs a great service for the farming community.

As I listened to the Minister of Agriculture when he introduced the bill on June 2, I noted that he said there was some $22 million still available in the fund. This is running fairly close to the line. He also indicated that loans were being made at the rate of about $1 million per day. It would seem, therefore, that as of today there should be some $14 million available in the fund. To me this is reminiscent of the Easter recess that never was, because a similar situation arose with regard to the unemployment insurance fund. In the rush to get the legislation through at that time the government wanted the opposition to close its eyes to some of the weaknesses inherent in the legislation and in the organization and operation of the unemployment insurance fund at the present time.

It is interesting to note that this is the first legislation the Minister of Agriculture may hope to have passd by the house. I can recall other days when one of the suggestions made by those who form the government today was that bold and imaginative legislation would be forthcoming. I fail to see that there is anything of that nature in this instance when the government waits until a few days before the deadline and then introduces legislation in the hope that no opposition members will speak for fear they will be criticized on the ground that they are holding up legislation. I fail to see that there is any imagination when all the minister is doing is doubling the amount of money available in the fund. Not only is he doubling the amount of the fund; he is also increasing the interest rate under this legislation.

I would have thought that the minister would have come forth with something revolutionary, something new, something that the farmers did not even expect from the government. However, he has to rely on amending a piece of legislation that was introduced in 1959. Because it was a new venture in farm credit at that time, naturally certain things came up which could not have been foreseen. Amendments were introduced in 1962. Because the minister now finds himself short of funds and because he wants to make it appear that he is really doing something for the farming community, he introduces an amendment to double the

amount of money available in the fund and then claims that he is really doing something for the farmers.

While many may express the hope that this legislation will do a lot for the farming community, I fail to see it from that point of view. My point of view may differ from that of some who have already spoken, but I feel I should point out certain things that will arise as a result of this type of legislation. I have always been one who has believed that credit is essential. Having used it myself, I am a believer that it can be helpful to the farming community. However, one can reach the point of diminishing return.

I asked question No. 981, which was answered by the Department of Agriculture. At this point I should like to incorporate in my remarks the table that the department provided to me in their answer, so that I may refer to it as I go along. If I may have the permission of the house I should like to incorporate this table in *Hansard*. I have also added to the table figures showing the percentage of loans made under $20,000 and the percentage between $20,000 and $27,500.

Mr. Hays: Where does this report come from?

Mr. Korchinski: It was an answer to question No. 981, supplied by the Department of Agriculture. I am just asking permission of the house to have it incorporated in my speech.

Mr. Deputy Speaker: Is it agreed?

Some hon. Members: Agreed.

Mr. Korchinski: This table shows the number of loans in each of the provinces in certain categories.

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

	Less than $10,000	$10,000 but less than $15,000	$15,000 but less than $20,000		$20,000 to $27,500		Total
British Columbia	58	81	111	71%	105	29%	355
Alberta	576	693	487	86%	287	14%	2043
Saskatchewan	1115	686	359	93%	172	7%	2332
Manitoba	258	193	123	92%	51	8%	625
Ontario	463	555	412	80%	366	20%	1796
Quebec	486	373	225	90%	137	10%	1221
New Brunswick	43	20	10	88%	10	12%	83
Nova Scotia	37	14	8	80%	15	20%	74
Prince Edward Island	113	25	12	97%	5	3%	155
Newfoundland	1	2	—	60%	2	40%	5
National	3150	2642	1747	87%	1150	13%	8689

Mr. Korchinski: From this table, it can be seen that only 13 per cent of the loans that have been taken out have been in the order of $20,000 to $27,500. This means that 87 per cent of those who have taken out loans were quite satisfied with less than $20,000. In my opinion, this indicates that up until now a large group of farmers who have not had economic units have benefited. It seems to me that from now on those farmers who will benefit will be those who have larger holdings. They will benefit at the expense of the smaller farmer.

Perhaps the minister, in drafting this legislation, had in mind the fact that he has had a tremendous success in his farming ventures and he felt there were others in the same category. Perhaps he feels that this is the only answer to the problems of agriculture. I fail to see how this type of legislation will benefit the smaller farmers who, up until now, have not had economic units and who, when they have applied to the farm credit advisers for a loan, have been turned down simply because they did not have an economic unit. There is nothing in these amendments which would take care of that situation. As I have said only 13 per cent of the farmers have taken out loans between $20,000 and $27,500. Even if I were inclined to be generous, I would say that in the future no more than 10 per cent of all loans would be in the category above $20,000 under part II of the act or over $27,500 under part III of the act.

I have another answer here which was provided for me by the Minister of Trade and Commerce (Mr. Sharp). This was an answer to question No. 982. If I may, at this point, I should like this answer incorporated in my address, and I should like to refer to it as I am going along. May I have the permission of the house?

Mr. Deputy Speaker: Perhaps I should bring to the attention of the hon. member the fact that it is against the general practice and traditions of this house for individual members to table documents or tables of this kind. Perhaps the hon. member might want to read this table into the record and then it would become, ipso facto, a part of the record. On the other hand, in order to save time, it may be that the house would want to consent to the tabling of the document to which the hon. member is referring. However, I think hon. members should be cautioned that, generally speaking, only official documents proffered by ministers of the crown can be tabled. I suggest that we try to follow the practice as much as possible.

Mr. Starr: I should like to speak to this point of order, Mr. Speaker. I think that to expedite proceedings an hon. member should be permitted to incorporate lists of figures in his speech without reading them. I think the house should give permission that they be taken as read. I believe the practice has been to give general agreement to this course.

Mr. Deputy Speaker: That is quite correct, but I thought this word of caution should be given because I feel that, in recent years, perhaps we have been getting away from a practice that goes back many years, as I am advised. Hon. members making speeches in the house should make their own speeches and, as little as possible, quote from articles or newspaper reports or tables of this type. I am in full agreement that it would probably save the time of the house if in this particular case the hon. member were allowed to incorporate this table in his speech rather than read it.

Mr. Korchinski: All I was trying to do was save the time of the house by not reading this table into the record. However, in view of the amount of time that has been taken I might just as well have read it. Since this was just going to form part of my speech, I did not feel it was necessary at this moment to read all these figures. It would save a lot of time if I had permission to incorporate it in my speech.

Mr. Deputy Speaker: This is what I was suggesting, that to save time, if hon. members will agree, the hon. member for Mackenzie be allowed to incorporate these figures as part of his speech.

Some hon. Members: Agreed.

Mr. Korchinski: The following tables show the number of farms by selected size groups, and their average capital value.

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

1. Number of farms by selected size groups, Canada, 1961—

Size group	Number of farms
Under 70 acres	67,183
70-239 acres	204,159
240-399 acres	82,626
400-559 acres	44,764
560-759 acres	31,860
760-1,119 acres	27,642
1,120-1,599 acres	13,091
1,600 acres and over	9,578

2. Average capital value of farms classified by size group, Canada, 1961—

Size group	Average capital value per farm
Under 70 acres	$ 17,052
70-239 acres	20,936
240-399 acres	24,627
400-559 acres	30,037
560-759 acres	37,104
760-1,119 acres	46,758
1,120-1,599 acres	61,911
1,600 acres and over	113,468

It will be noted that according to the 1961 census report there were some 480,000 farms in Canada. There were some 430,000 of these farms with acreages of less than 750 acres. In fact, there were 400,000 farms with acreages of less than 550 acres. Now we come to the average capitalization of farms of 750 acres or less and we find that the average capitalization was $37,000. The minister is increasing the availability of funds by making loans in the order of $40,000 to $55,000 available. If one takes into account the fact that a loan may not exceed 75 per cent of the appraised value, he finds that a farmer will have to have to farm with a capital value of at least $50,000 to $60,000 to take advantage of these amendments. According to the 1961 census table, farms with an average capital value of $61,000 contain 1,120 acres to 1,600 acres. I suggest to the minister that despite the fact he may wish to

say he is doing a lot for the farmers, I am suggesting that he may be doing something for those farmers in the higher income group, but he is not really helping out the ones who are in difficulty at the moment. The minister may be able to produce statistics in a few years which will indicate that the average farm income has gone up as a result of an increase in the number of these bigger farms, because the cost of production on these farms will naturally be far less than the cost of production of the average smaller farmer.

However, the minister has not yet solved the problem of the average farmer. It is interesting to note, as I said earlier, that there are some 400,000 farms with less than 550 acres. The average capital value per farm of less than 500 acres was $30,000. At the moment there are provisions making loans available to this type of farmer. I repeat that the minister, in introducing this legislation, is not helping the small farmer. There may be specific types of agriculture that might require this type of legislation. However, I do not want the minister saying in the future that he is doing something for everybody. I think we will find that there will be specialized farm groups who will perhaps require this type of loan. I do not want the minister expanding it to include everybody.

One other thing we will have to guard against in the future is the fact that these larger farms are going to be incorporated. In the last few years, we have heard a considerable amount about vertical integration. I point out that according to the poultry market report for June 5, the price of eggs in Saskatchewan on May 30, 1964, was 14.8 cents per dozen. Why were these eggs sold at this price? It is for the simple reason that some farmers who have gone into egg production in a big way have over-produced, and the end result is that the smaller farmers cannot compete against these bigger producers.

In the field of turkey production those with capital available and who are already established have also gone into it in a big way. I can point to many farmers in my constituency, as I am sure other hon. members can in theirs, who have had up to 1,000 turkeys. If they got $5 per turkey this gave them $5,000 at the end of the year, but this was not $5,000 profit. They had to depend on the sale of their eggs, wheat and other produce to make an adequate living for their families.

Credit may now become available to establish these large farms which the minister has been used to, and which in his experience he has found to be profitable operations. If a farmer has 60,000 turkeys and makes 25 cents on each turkey, he has $15,000 profit, but the return to a man with less than a thousand turkeys is $250, which is very little. He has to have additional income. The minister and the farm credit advisers must take this fact into account when they are making this credit available, so that we will not end up with a group of land barons, a select few owning all land while all the rest have to work for them.

If the minister does this, then he will create another problem. There will be a greater demand for unemployment insurance to be paid to these people, something which the government is not prepared to pay now. The Gill commission did not recommend it. If the government is not prepared to subsidize agricultural produce it will have to take other measures such as providing unemployment insurance. I hope the minister will take note of these remarks because I feel very strongly about this thing.

Another problem which I feel will arise is that land values will increase. If this happens, then those who are already established on economic units will be able to outbid those others who would like to establish themselves on economic units. In other words, they will be quite prepared to take a lower return per unit than those seeking to make their present units economical, and these smaller operators will be forced out of farming.

A practice has been established whereby, for example, if a man wants to purchase land valued at $10,000, the Farm Credit Corporation is prepared to give him the money, but if he makes a deal for land valued at $15,000 he has to put up $5,000 of his own. It is unreasonable to expect a small operator to be able to put up $5,000. The larger operator will, and he will outbid the small farmer who will be driven out of the business; and if he is driven out of the business the government will have to provide a subsidy for him in some other form.

There will have to be a complete review of all existing farm legislation. One point that bothers me is the 5 per cent provision on loans up to $20,000 under part II, and loans up to $27,500 under part III. This is one of the stipulations we fought for and placed on the statute books because we felt it was a fair amount to charge.

You will find that over the years the interest rate will fluctuate, and the amount the corporation might be expected to lose,

while it might appear great at the moment, if interest rates go down will not be so great, and in the end will balance up. Now, under the proposed amendment, the charges will be—

> —an amount equal to the cost of the corporation of any money borrowed for the purposes of the loan and the expenses of the corporation in respect thereof, including a reasonable reserve against loss.

There are two reasons why I would object to this. I feel this may be a deterrent to small farmers, and I feel that any person who finds it necessary to take a loan of over $20,000 under the new provisions, or over $27,500, may have to carry in his interest charges sufficient for all the losses which may be incurred with respect to loans that were formerly made up to $20,000 and up to $27,500.

If $10 million in loans were outstanding, in order to recover this amount in some cases you would have to charge up to a rate of 10 per cent, and it is estimated that $1 million is lost every year under the provisions as they exist now. If as I believe only 10 per cent of the farmers will be in a position to borrow over $27,500, and if they are to make good this loss, you will have to charge them a rate of over 10 per cent.

Mr. Hays: Perhaps, Mr. Speaker, I should explain this because I think the hon. member is interpreting it wrongly. We say that the first cost up to the present limits is 5 per cent. The cost of operating the corporation and the cost of obtaining money is one thing, and for loans above the existing limits, $20,000 and $27,500, we say they shall be made at an economic rate. That is the price that the government has to pay for money; but the loans will be made with exactly the same conditions as the other loans, and the costs of operating. There are no provisions made, or intended to be made, in an extra amount to take care of losses to the corporation.

Mr. Korchinski: It is not the intention of the bill now before us that any money which may be lost under existing provisions should be recovered under the new provisions?

Mr. Hays: No, this is not the case.

Mr. Korchinski: If that is right, then I have no particular argument with it. We will then still end up with a loss of approximately $1 million a year.

Mr. Hays: We have an operating loss—

Mr. Deputy Speaker: May I be allowed to bring it to the attention of the minister that we have not yet reached the committee stage. Unless it is the desire to have the minister reply to points as they come up, I feel it would make for orderly procedure if he answered these points when he closes the debate.

Mr. Korchinski: Thank you, Mr. Speaker. I wish to clarify one thing so that I might not persist unduly, if that were not the case.

There is another problem which arises. Apparently, the minister hopes to get the corporation into a position where it will suffer no losses. However, there will still be a loss. If I am correct in assuming that only 10 per cent of the people affected will take loans over and above the amount presently available, there could conceivably be added another 10 per cent to the $1 million presently being lost by the corporation. This, in itself, would amount to $100,000. It seems that to recover a loss of $100,000 we go to a lot of trouble. But this, in itself, is not the point. If the minister feels the royal commission on banking and finance has recommended such action, and it is essential, he may be relying on this recommendation to strengthen his argument. But I say that if this is a first step toward a move which will unjustly penalize farmers, it cannot be supported. I am afraid the minister will say that if interest is not being charged at 7½ per cent, or 7 per cent, or anything above 5 per cent we will lose money. And in a few years he will suggest to the house again that we should withdraw the 5 per cent provision and charge according to the rate which the corporation must pay in order to get it.

I suggest strongly, for this reason, that a first step should not be taken in this direction. I do not want the minister to say at a later date: We have found out we do not have to lose money on the Farm Credit Corporation. The commission on banking and finance told us what was the practice to be followed. If we continue to do this we shall find ourselves in another awkward situation. Someone will want a loan, and will be charged 7 or 8 per cent. In a few years we shall be able to borrow money for less than that. As the minister well knows, interest rates have gone up—from 4½ to 5 per cent to 5½ per cent and so on. If a farmer has agreed to pay interest at 7 per cent and then finds the corporation is able to lend him the money at a lower rate of interest he should be able to recover the amount he is overpaying. I think provision should be made for this, and I do not see any such provision in the bill before us enabling a farmer to recover any funds to which he may rightly be entitled.

I see my time is running out, but there is one other matter with which I should like to deal briefly. It appears there were some 77,000 farm improvement loans taken out last year while there were 8,000 which might be considered long term loans. I think the minister will have to introduce legislation to make provision for an increase in farm improvement loans, because this is an area where I feel availability of credit can do far more good than action in other directions which might tend to create land barons at the expense of small farmers.

[*Translation*]

Mr. Guy Marcoux (Quebec-Montmorency): Mr. Speaker, I am not an expert in agricultural matters and I will not speak about them very long either.

I wanted to add to the reason you gave for preventing the minister from answering questions addressed to him the fact that he does not occupy his seat now, thus being forbidden to speak. If you examine Bill No. C-100, you will find that beekeeping has been added to the special agricultural fields, which will enable beekeepers to take advantage of the Farm Credit Act.

I am very pleased with this amendment because there are in my riding some well-known beekeepers, and I am convinced that they will be happy to find that they can benefit from the advantages offered by the Farm Credit Act.

As far as the increase in the amounts specified by the legislation is concerned, I believe that the minister tried to sit on the agricultural fence. That is good, very commendable to try it, but I believe that in increasing the amount of the loans, we want to help those who, in theory, should be well off since we include them among the most prosperous farmers. While helping them, at the same time we tell them: You have enough money to pay the additional interest. Therefore, we will lend you the $27,500 and we will charge you for the cost of the loan.

This means that the Farm Credit Act would be no longer a legislation intended to assist the farmers, but simply a measure replacing the banks and other finance companies.

In my opinion, the government should not substitute itself for the banks in such cases. The purpose of the act is to help farmers and if it is felt that farmers who need as much as $40,000 or $55,000 should be helped because they are not rich, then the rate of interest on their loans should not exceed 5 per cent. On the other hand, if some farmers are rich enough to pay more than 5 per cent interest, they should not be allowed to borrow as much as that under the act.

One of the recommendations of the Porter commission on banking deals with the removal of the maximum rate of interest applicable to bank loans so that banks may raise their rates. If an individual borrowed more than $27,500 because he thinks he will be charged about 6 per cent interest on the amount outstanding and if that recommendation of the Porter commission is acted upon by the government, the borrower will find that he is actually paying 10, 12 and 15 per cent interest.

I submit that this provision can lead to difficulties and I would ask the minister to give it full consideration before putting it into practice.

[*Text*]

Mr. Arnold Peters (Timiskaming): I know many people will be very interested in the bill now before us which contains provision for increasing the amount of money which can be made available under the act. However I think there are many who begin to wonder if credit is really being considered in terms of assuring the agricultural future of our nation.

Canada is of course a young nation, and I presume we have much to learn from what has been done elsewhere. In the last 40 or 50 years a problem has been facing other countries which is not dissimilar to that which faces Canada. In Great Britain, over the years, it was felt that the democracy of the nation hinged on the English countryside. However, as the small farms disappeared over the years, democracy was considered to be no less prevalent in that country. France, on the other hand, went to the other extreme. Larger and larger farm units were developed in that country, as we are developing them in Canada, until there was a very large and easily controlled agricultural population. It could also be said that by developing themselves on a family farm scale they were in the process, because of government control, of losing real democracy in the agricultural field.

The United States has also been concerned with this subject and it is interesting to note in a book "Farming and Democracy" by Griswold that the author, speaking of the Truman economic report, states:

> Thus, it completed the definition of a policy that had begun with farmers in general and ended with farmers in particular, that in the beginning

had taken the family farm for granted and in the end had made it a specific item of national interest. On this high level it was incorporated in President Truman's economic report of 1947.

The cycle of policy thus concluded sets the United States apart from both England and France. It shows a national concern for agriculture as a state of society, for private property in land, and for family farming as their mainstay, that has simply not existed in England—a concern that played little part in the development of British democracy and almost throttled its development in France.

He goes on to say:

The British experience shows us that it is possible to reduce the farm population to an irreducible minimum, and small, owner-operated family-size farms virtually to extinction, and still have democracy. The French contrast shows us that it is possible to maintain a maximum farm population and carry family farming to its extreme logical conclusion, and all but lose democracy in the bargain.

I believe it is very simple to change the rules and regulations of farm credit, but I think the government certainly has some responsibility in deciding what is to be the basis of agriculture in Canada and just what we are trying to work toward. I believe that the agricultural development of Canada, which is extensive and has been the mainstay of our economy for many years and has probably been the basis of our development, has been and has to be in the future a partnership of three large groups, the farmer and the rural community, the markets and the marketing agencies and their operations, and government itself, because government policies play a great role in where agriculture is going. One might ask why we should discuss this when we are deciding on the extension of credit, but it seems to me, Mr. Speaker, that if we are not willing to take a look at it we are being very unfair to agriculture and we may in effect bankrupt it.

I would like to give an example, Mr. Speaker. If tomorrow a car manufacturer was able to find a credit agency that would grant credit on a new car on a ten year basis, you might think this was a very reasonable way of buying that car. But if you were doing very much travelling as a salesman or in many other fields, you would find the profitable lifetime of that car to be probably only three years. So during the last seven years of the loan you would be paying for a car that had long disappeared, and the problem would arise at least twice following that situation. This applies to farmers in particular. I am sure there are dairy farmers today who, knowing the changes the minister has made in agriculture, will be worried about whether some of the commodities they are producing have remained economic. If the government is going to lend this large amount of money to a farmer in order that he may develop an economic farm unit, the government also has an obligation to take some action in the marketplace and in the direction of the national economy in order to provide some protection for the farmer to whom they have lent money to set up an economic farm unit; that is to say, protection so that this economic farm unit will not be destroyed by their allowance of change in these other two fields.

I suggest this has already happened in vertical integration. The farmer was given an unlimited amount of credit; he was given so much credit that it was only a matter of a year or two before he lost the farm, and in many cases these farms are no longer in operation. This was repeated in the field of poultry farming, in the production of pork, and it has been repeated in regard to many other crops, such as potatoes and, I understand, tobacco in some areas. So vertical integration provided a very large amount of money, too large an amount of money to be economical for the operation and the maintenance of the farm for the farmer who borrowed the money. The government has responsibilities in the field of crop failure which may be general or local. It has a responsibility when it withdraws support prices for a particular commodity, and it has a responsibility when a change takes place in the rural aid development programs. Each of these have a reflection on the ability of the unit to remain an economic farm unit and each makes all the difference between whether or not the borrower of the money under farm credit is able to make a success of his venture.

It seems to me that if the government, the market place and the farmers are not brought together and the matter discussed, a problem is going to develop with regard to many of these farmers that has not been contemplated.

I also read further from this book called "Farming and Democracy". This relates to an incident which took place when the small, non-economic units were being removed to make way for progress, and much more suitable economic units. The book quotes the famous colloquy between one of Steinbeck's Okies and a tractor driver whom he has threatened to shoot for knocking over his buildings and plowing up his land and shows the direction, if not the precise location, in which the blame lies. The conversation is quoted in this way:

"It's not me. There's nothing I can do."

This is the tractor driver talking:

"I'll lose my job if I don't do it.—And look—suppose you kill me? They'll just hang you, but long before you're hung there'll be another guy on the tractor, and he'll bump the house down. You're not killing the right guy".

"That's so", the tenant said. "Who gave you orders? I'll go after him. He's the one to kill".

"You're wrong. He got his orders from the bank. The bank told him—'Clear those people out or it's your job' ".

"Well, there's a president of the bank. There's a board of directors. I'll fill up the magazine of the rifle and go into the bank".

The driver said, "Fellow was telling me the bank gets orders from the east. The orders were, 'Make the land show profit or we'll close you up' ".

"But where does it stop? Who can we shoot...?"

The Okie could not shoot the industrial revolution. He could not shoot our failure to devise a public policy that would put that revolution to the advantage of our whole population. But he could, and did, testify to the fact that, in his case, and the cases of a million or more of his fellows, agriculture by itself had performed no democratic miracles.

The previous speaker mentioned the fact that this may do just what the tractor driver was going to do to the Okie's shack; it may eliminate many of the small farms in the community as increased loans are provided. It would seem to me, Mr. Speaker, that in order to do something about this the minister should suggest that supervisory boards be set up that are, again, made up of three parts: government policy, represented by government representation; the farm problem, represented by the rural agricultural groups, federations, farmers' unions, and so on; and the market place has to be represented, because unless the Minister of Trade and Commerce (Mr. Sharp) is going to sell the products we manufacture, we are dependant upon our domestic market, with its rapid fluctuations.

I know that increasing the amount of money that can be borrowed is a very easy way for the minister to make himself popular, and it is probably an easy way for me, speaking in opposing it, to make myself unpopular. I am not really opposing it, because I am sure there is a certain merit in classified cases; but it is very easy to go out and offer somebody a lot of money. Household Finance is doing it every day successfully, at a very high rate of interest, and the people who are borrowing this money know that by doing so they are just putting themselves further into debt.

I think we should guide some of the thinking in this regard. I refer to not only the thinking between the farmer and the advisory board that we now have, but between the agriculturists of Canada and the government, in terms of what we want agriculture to provide Canada.

It is all very nice for us to say, "Maintain the family farm", but this is not maintaining the family farm. A $55,000 loan means a repayment, at the end of 30 years, of well over $125,000; that is what a person will have to pay back. If you look at the statistics for Canada and the amount of money being received in the way of farm income, you will understand that this type of loan will be limited to very few people on an economic basis. Therefore this is not a general policy; it is not going to apply to too many people. The previous speaker also mentioned that 87 per cent of the people receive less than $20,000 in loans; that this was a very satisfactory arrangement for many people. I am not suggesting there should be no extension but I think the government must take some responsibility to provide a loan for those who want it.

I am sure everyone is aware that many of the farmers who want to operate an economic farm unit today, perhaps in the $40,000 or $50,000 class, will not be able to operate that unit, if we provide them with enough money to make the expansion allowed under the terms of this act, unless as an agency we are willing to provide them with managerial training to handle such a large business. Everyone is aware that some small businesses in a small town operate successfully until the boss becomes unaware of the names of his employees and of what is going on. I did some negotiating with one company, and the boss said to me that he did not trust the accountants or any of the people working for him, because he asked them for an inventory check and was told that there were no parts in stock which were not included in the inventory. Yet he told me that he could produce some parts not in the inventory at all. Therefore, in an expansion of this kind one requires managerial training, which I am sure many farmers have not had.

We are not being fair to many of these people, if as a national policy we try to increase the size of the farms to provide a more healthy agricultural economy, unless we provide this type of training; and the government shirks its responsibility in this as in many other fields. An agricultural unit of $100,000 or $150,000 could be made completely uneconomical if tomorrow the government increased the tariff on farm machinery and the farmer had to pay 30 to 35 per cent more on the cost of a combine. If

the farmer has economically geared his operation to the costs of today, then obviously the government will play an increasing role in what he does. But we must try to meet rural sociological problems and provide solutions for them.

In offering the farmers more money we are creating a hazard in many areas. I am sure that the government receives more requests for money from people in the lower income groups than from those in the higher income groups. It may not be a good thing, but it it true that some farmers seem to get along with a reported income of $1,000. The majority of farmers in many areas are reporting incomes to the income tax department of around that amount. If that is so, and if these units appear to provide the basis of our rural economy in many areas, I suggest that that minister take a look at the other extreme in considering this matter of credit, and gives some of the farmers in my area who are asking for $2,000 or $3,000 a little more consideration. There is a kind of grand and glorious attitude on the part of many officials that if a farmer wants the maximum they will consider it; but if a farmer is interested in only a minimum amount he obviously has an uneconomical farm unit. I believe there are considerations at both ends of the picture. We want to expand the economic farm unit, and in many areas that unit is some 160 acres whereas in others it is 320. There are many places in western Canada where a unit would not be considered economical unless it exceeded a section of land. Many of my farm friends in western Canada have said that if a unit is not at least three sections it is not sufficiently large enough to carry the capital expenditure for the type of equipment they have on their farms.

The sociological change in rural Canada is a factor in the decision to grant and extend credit. I believe the government has completely failed to give guidance and leadership in this field. It has been said that to grant a large sum of money only means the extension of the principle of vertical integration; that one farmer who has proved competent to have his farm paid up will have enough land to enable him to borrow the maximum amount from the government, and this will enable him to squeeze out all his neighbours because he can outbid them in the marketplace as a result of the money he borrowed under the act. This creates a social problem which the government has a responsibility to meet.

I imagine that the minister has not enough knowledge of the whole subject to understand this particular problem. I imagine it has been very hard for him even to understand some of the problems put to him which contradict the principle of extending credit, particularly at the lower end of the scale. But there are those in the universities of Canada, as there have been in the United States, who have been appointed to commissions to study the problem and have made recommendations not in keeping with the recommendations now being made regarding the extension of large amounts of credit. The Canadian Senate over the years has discussed land use problems and the maintenance of our rural economy. Representations have also been made by other bodies, including this house, to the effect that owing to the distribution of seats this house had a predominantly rural representation. Yet I wonder whether many rural representatives have really considered what the extension of those large amounts of credit has meant to the rural communities. The farm communities themselves are tending to disappear, and in some areas just one or two farmers own a whole township. People nowadays prefer to sell ice cream along the highway on Sundays rather than general hardware, groceries and other commodities in a rural oriented economy.

It is easy for the Liberal party, as was the case in the last election, to offer to extend credit to every Tom, Dick and Harry whether or not it would be of any value to them, to the community or to the nation. But I believe the minister has an obligation to bring in legislation to relate the total development of rural Canada to the credit needs of the nation so that we do not continue to give credit to those who do not really need it, such as the type of person who could put up his own collateral at the bank. We should give more consideration to the little farmer on the back concession who only wants a couple of thousand dollars to buy the farm across the road. It may not be an economical farm unit, but it has probably supported his father and his grandfather, as well as providing for the education of three or four generations of Canadians, and with a small expansion will be able to continue to support a family for some years to come. In my experience very little consideration has been given to this aspect of farm credit.

It seems to me that this is one of the areas in which the Farm Credit Corporation has

failed to function to advantage. Some farmers with managerial ability will be able to take advantage of the increase in the maximum amount of loans to $55,000. There are many farmers who, before they borrow $55,000, would be well advised to think about retiring the debt in an organized manner, because I am aware of the fact that without supervision, without the support of a government that is prepared to look 30 years ahead, many of those who will borrow larger sums of money from the Farm Credit Corporation will find themselves in difficulty.

Those who do not realize the vast change in agriculture that will take place in the next few years need only look back 30 years when almost all agricultural work was done with horses. Today the horse is an oddity that is shown at agricultural fairs throughout rural Canada through grants being made to entrepreneurs in other fields to maintain the heavy draft horse breed. I think this indicates the changes that have taken place and it is prophetic of the changes that will take place in the future. Unless the government is now prepared to make known an agricultural policy that will make it clear what the government hopes to get out of agriculture in Canada and what the future for agriculture will be, I and many farmers will interpret the increase in the maximum amount of loan, together with the fact that the minister has tied with this an interest rate in keeping with the full costs rather than the original rate of 5 per cent, to be a trend in the development of rural Canada that is not designed to maintain the family farm and the family farm unit.

Mr. Jack McIntosh (Swift Current-Maple Creek): Mr. Speaker, I have only a very few questions that I wish to ask the minister arising out of his speech on June 2. I know he cannot answer them right away but I would appreciate it if he would take note of the questions on which I seek clarification and answer them when he closes the debate.

First of all I should like to compliment the chairman of the Farm Credit Corporation and his staff upon the excellent work they have done. I can speak from personal knowledge of the officials in my own area. I think they have done a marvellous job, and I think the house will agree that any advancement in the administration of this program must be brought about by means of changes in the act. I am very pleased to see that the minister has taken these requirements into consideration.

[Mr. Peters.]

In the minister's speech the other day he made reference to an economic unit. I should like him to define what he means by an economic unit, and indicate how it is determined. I should also like him to relate that to the reference he made to a family farm. Are an economic unit and the family farm the same thing? I would also ask the minister to say a few words with regard to whether he has given any consideration to the idea that loans should be based on the ability and record of the applicant. At the present time they are based on the security of land. I suggest to the minister that the aspect of security could be covered by the applicant taking out life insurance.

At the present time we find that the difficulty with the Canadian Farm Loan Act is that the present high market value and the conservative agricultural production value reduce the number of qualifying farmers considerably, and to obtain the maximum amount of loan requires a fairly large unit. A farmer operating a large farm cannot obtain a loan, since he already owns what the officials consider is an economic unit, and the smaller farmer cannot obtain a loan large enough to purchase even a quarter section since he has not sufficient land.

I understand that Ontario has had a scheme for a number of years under which a young farmer can apply for a loan from the provincial government. His application is then referred to a board consisting of his neighbours or the municipal authorities in that locality to determine whether this man will be a good risk, and on the basis of their recommendation he is allowed to obtain a loan. I also understand that under this system there have been very few losses in the province of Ontario.

The difficulty that members of parliament encounter with regard to loans from the Farm Credit Corporation is that the officials are hamstrung by the restrictions in the act. This issue has come up time and time again. However, most members know that these applicants are conscientious people with good farming records, but because of the lack of capital they do not have what is considered to be an economic unit. I refer again to that term, "economic unit", because it seems to vary according to localities.

I was very interested in what the hon. member for Mackenzie (Mr. Korchinski) had to say with regard to interest rates. To my mind the proposal in the amendment to the act is discriminatory. I say this because the minister has not actually laid out what the interest

rate can be. As I read the legislation it can be based on three different qualifications. It is set forth that the rate will not be more than the interest charged to the corporation, plus the cost of administration and a reasonable reserve against loss. That could vary anywhere from 6 per cent up to 8 or 9 per cent, and that is why I say this provision is discriminatory.

If it is necessary to increase the rate from 5 per cent I think it would be more advisable to set out the rate in the bill. Then there would be no danger of one farmer taking a loan this year and because of these three factors having to pay 8 per cent, and another farmer taking a loan next year and finding that a rate of 6½ per cent will cover the loan on the basis of a period of 30 years.

I should also like to ask the minister what he means when he refers to the interest rate as an economic rate. That is a very elastic phrase. As I said before, economic farm units can vary from locality to locality. Would the same rate apply to loans in Ontario and loans in Saskatchewan? Would there be a different interest rate?

May I call it five o'clock, Mr. Speaker.

The Acting Speaker (Mr. Batten): 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 private bills and public bills.

PRIVATE BILLS

SEICHO-NO-IE

Mr. S. Perry Ryan (Spadina) moved the second reading of Bill No. S-23, to incorporate Seicho-No-Ie.

He said: Mr. Speaker, Bill No. S-23 is somewhat unusual in that it seeks to incorporate a religious body of Japanese origin. For that reason my explanation may take a little longer than would otherwise be the case. The religious movement from which this religious body emanated was known as Seicho-No-Ie and was founded in 1930 by Dr. Masaharu Taniguchi, who lived at that time in the town of Sumiyoshi, Japan. Taniguchi was a scholar who was born in Kobe, Japan in 1893. He majored in English literature at Waseda university in Tokyo. When he started Seicho-No-Ie, he was a translator for a subsidiary of an American oil company in Japan.

He was a student of many religious philosophies. It was his aim to seek the truth wherever it may be found. He named the religious body that he founded Seicho-No-Ie, which means in English, "The home of spiritual growth and prosperity" and is sometimes also referred to as "The house of life, wisdom and abundance."

This Bill No. S-23, is in the usual form of a bill incorporating a religious body. It is the first incorporation by the parliament of Canada of a religious body having its origin in Japan. However, there is a precedent for the incorporation of a religious body from another area of the world. In 1949, the parliament of Canada passed a bill which is now chapter 25 of the statutes of that year, to incorporate The National Spiritual Assembly of the Bahá'ís of Canada. This bill was assented to on April 30, 1949.

This organization has a membership of two million people, although it should be noted that all of its members are free to belong to other religious faiths as well, and many do. Japanese religious ideas are somewhat different from those prevailing in Christian countries and one is not tied down in the matter of membership, as is the custom in Canada. Originally, the founder, Taniguchi, was more interested in proclaiming his religious and philosophical ideas rather than in setting up a religious system as such. He started out first by publishing a monthly magazine that he called Seicho-No-Ie.

Taniguchi was influenced by Mary Baker Eddy, Ralph Waldo Emerson, Ernest Holmes and other writers of that group, and he acknowledges openly his debt to them. His ideas on religion resemble the ideas of Christian Science and of the unity school of Christianity. He has, however, made a very distinct contribution to Japanese religious thought by introducing Christian ideas developed in the nineteenth century in the United States into Japan in a form that proved acceptable to Buddhists, Shintoists and other Japanese who would not normally be inclined to subscribe to foreign religious ideas.

In order to get his ideas across to the Japanese public, in addition to this monthly magazine, Taniguchi encouraged visitors to come to his home to consult with him. Eventually he set up regular subscribers meetings, as he called them, in his own home. He then proceeded to give lectures in various centres at the request of people who were sympathetic to his ideas. He developed a form of meditation called Shinsookan, which might be described as a form of prayerful meditation, with the purpose of bringing the individual consciousness of the practitioner in contact with the absolute. The members of this organization regard this approach to religion as

analogous to the approach of the mystics of medieval Christianity. This is the way they look at it.

Taniguchi has written several religious poems which may be recited in approximately 20 minutes to half an hour. These have come to be used as texts for common recitation in the study groups and subscribers groups of the religious body. These poems actually summarize Taniguchi's doctrinal position.

Within five or six years after he started his organization Taniguchi added another magazine which was meant more entirely for women, and in a few years more he added a magazine edited for children and for people who were incapable of understanding very difficult Japanese. He also added a magazine for educators, and another which has a strong philosophical orientation.

He has always welcomed people from other religious groups and assured them that they do not have to sever their connections with their family religions. In fact, he has persuaded them to continue holding their funeral and marriage services in the religions to which they belonged before joining his group. In order to get away from the traditional religious atmosphere of Japanese religions, he refused to call his congregation churches, temples or shrines. Instead, he talked about subscriber groups, fellowship groups and branches. As this religious movement grew, he eventually transferred its headquarters to Tokyo.

The leaders of groups are called lecturers, not ministers, priests or anything that would remind one of traditional churches. He was at all times trying to emphasize content rather than form. However, the Japanese ministry of education was at a loss as to how it should consider or treat this organization for administration purposes, and eventually his organization was persuaded to register as a religious body in Japan. Today it is so registered, and it includes shrines within its branches. It accepts donations and it operates as a religious organization in Japan. It is recognized as such, although its earlier spirit of emphasizing content rather than outer form has remained.

Dr. Taniguchi is referred to as the president of the organization. The affairs of the organization are managed by a board of directors, under his chairmanship. The Tokyo head office pretty well controls the entire religious activities which are carried out in Japan, Brazil, Peru, Germany, France, the United Kingdom, Sweden and Canada. There are approximately 1,200 members in Canada with groups in Vancouver, New Westminster, Richmond, Slocan, and Steveston in British Columbia, and others in Hamilton, Montreal and Toronto. The organization is incorporated in California, Japan, Hawaii, Brazil and Mexico. Its main centre in North America is Los Angeles. Its head office, as you will see from section 3 of the bill, will be in Toronto.

A point which will be of interest to all hon. members is that during the last war, when Japanese activities in the United States were carefully watched and controlled, the Seicho-No-Ie organization was permitted to function by the government of that country, and its books were allowed to be published and distributed in normal fashion. I believe this should be some guarantee.

The movement seeks a world of perfect harmony for all men. It is non-denominational. It neither bars nor excludes any true religion, be it Christianity, Judaism, Buddhism, Shintoism or otherwise. In a sense, it may be said to seek to be an umbrella over all true religions. It seeks a world describable as the kingdom of God on earth and endeavours to have man recognize his own perfect and divine nature, and to steep himself with the conviction that he is a child of God.

Now, Mr. Speaker, I have made no great personal study of this religion, and I do not intend to go further into its teachings and characteristics. However, I should like to say that the members of this organization consist of well educated and highly respected people. Included among their members is a former prime minister of Japan, lawyers, school teachers, doctors and university professors. Personally, I believe it to be a peaceful, non-violent and sincere religious movement and that in the spirit of the Canadian Bill of Rights it is a movement that is entitled to incorporation in this country.

I would ask that the bill be given second reading and then referred to the standing committee on miscellaneous private bills where all members of that committee will have a good chance to ask questions and obtain more detailed answers.

Motion agreed to, bill read the second time and referred to the standing committee on miscellaneous private bills.

PUBLIC SERVICE

PROVISION FOR PREFERENCE OF BILINGUAL APPOINTMENTS

Mr. L. J. Pigeon (Joliette-L'Assomption-Montcalm) moved the second reading of Bill

No. C-34, respecting employment of bilingual persons in the public service and in crown corporations.

He said: Mr. Speaker, I am pleased to introduce Bill No. C-34 entitled:

An act respecting employment of bilingual persons in the public service and in crown corporations.

Allow me to read a few excerpts from this bill:

...it shall be the duty of the person or persons responsible for such appointments to give a preference to bilingual persons so that there shall be in the public service, in crown corporations, in works, undertakings and businesses above mentioned, a number of bilingual persons proportionate to the number of French speaking Canadians throughout the country. The purpose of this bill is to correct, in so far as it is possible to do so, the discrimination which now exists in the public service and in crown corporations in the recruiting and employment of persons of French origin, and to give a preference to bilinguists.

In other words, Mr. Speaker, this bill requires that a third of the employees in all government services, including crown corporations, be bilingual.

To give you an example of the present shortage of bilingual employees in those services, allow me to quote from a brief published by the Conseil de la vie française. Concerning the Department of External Affairs, the linguistic knowledge is as follows:

Knowledge of languages among officials of the Department of External Affairs in Ottawa.

		Bilingual
Total number:	217	56
English speaking:	174	13
French speaking:	43	43

Knowledge of languages among Canadian representatives abroad.

		Bilingual
Total number:	387	92
English speaking:	325	30
French speaking:	62	62

Heads of missions abroad.

		Bilingual
Total number:	44	19
English speaking:	30	5
French speaking:	14	14

Mr. Speaker, the law provides that all French Canadians must be bilingual in every government department, including crown corporations. However, this provision does not apply to other elements in our country.

The Secretary of State (Mr. Lamontagne) promised that a bonus would be paid to bilingual civil servants. Besides, this was included in the platform of the Liberal party during the last election campaign, according to a newspaper advertisement. I am very much surprised at the position taken by the present government in an attempt to improve the situation and to place it on a more logical basis.

I have here copies of notices of competition issued by the civil service commission of Canada.

For instance, the Department of Agriculture is looking for someone to head its information division in Ottawa; the position carries a salarly of $8,760 to $10,300. Even though the successful candidate will be working for the information division of an important department, that of agriculture, posters advertising the position do not require applicants to be bilingual.

Another competition advertised by the civil service commission concerns building construction inspectors in Vancouver, Edmonton, Winnipeg, Montreal and Ottawa, positions to which a salary of $6,300 to $6,960 is attached. I notice that in that case also, applicants are not required to be bilingual.

As for the competition for the position of co-ordinator of transcription, typing and reproduction services, administrative services, Department of Public Works, in Ottawa, which carries a salary of $5,760 to $6,210 candidates do not have to be bilingual. Knowledge of English is sufficient.

Another poster has to do with senior positions in nursing, public health and hospital services which command a maximum salary of $6,240 a year. Applicants will have to work in various provinces including Quebec, and yet they are not required to be bilingual.

The civil service commission has also announced a competition for foreign service stenographers for the Department of Trade and Commerce and the Department of External Affairs. The starting salary ranges from $3,150 to $3,750 a year and, there again, applicants are not required to be bilingual.

The civil service commission also requests a head for the information service of the Department of National Revenue. Now, this head of the service must meet the requirements of the public, those of French Canada as well as those of English Canada. It was stipulated in the qualifications required of the candidates that it was essential to know both languages; but following this competition, the person who got the position is unilingual. I asked a series of questions in the house on this matter; yet, it was spelled out, in the competition notice, that candidates should have a knowledge of both languages.

I have also before me another competition notice from the civil service commission, in

which applications are invited for the position of "head of the editing section of another department", and there again, it is the same thing. In fact, for hours, I could list competition notices published by the civil service commission and in which it is not required that applicants have at least a knowledge of both languages. Yet, these civil servants have to work in the public interest throughout the country.

Mr. Speaker, on March 5 last, in Toronto, the Minister of Justice (Mr. Favreau) lashed out at the civil service commission, which he charged with bringing about separatism among French Canadians. But I wonder what action this government means to take to remedy the present situation in the civil service commission. Reforms in this respect had been promised in order that French speaking Canadians might be on an equal footing with English speaking Canadians, as concerns civil service positions.

Mr. Speaker, at a meeting of the committee on privileges and elections, we heard some witnesses, and more particularly Mr. Keith Davey, chief organizer of the Liberal party. I asked Mr. Davey whether he received a government salary; he answered no. However, following a question I put on the order paper, as reported on pages 3354 and 3355 of *Hansard* for October 9, 1963, the answer given to me was that Mr. Kent was attached to the office of the Prime Minister and that his salary was $20,000 a year. On the other hand, in the committee on privileges and elections, Mr. Keith Davey said his main responsibility was—

Mr. Choquette: Mr. Speaker, the hon. member for Joliette-L'Assomption-Montcalm is out of order; his remarks have nothing to do with the matter under consideration.

Mr. Côté (Longueuil): Mr. Speaker, the hon. member for Joliette-L'Assomption-Montcalm mentioned Mr. Keith Davey, and now he speaks about Mr. Kent. I think he is confusing the two men. Mr. Davey does not receive a salary from the government.

Mr. Pigeon: Mr. Speaker, I want to be frank with hon. members. I made a mistake, I confused Mr. Kent with Mr. Davey, and the hon. member who just sat down is quite right.

The Secretary of State spoke of measures to improve the situation, and some government employees are now attending courses in a Hull school. Now, those courses are paid by the federal government, and I am asking hon. members whether they think it fair and reasonable that the Canadian government, under the pretext of helping our English speaking fellow citizens, should put at their disposal, during their working hours, teachers paid out of public funds.

French Canadians had to pay out of their own money to take courses after working hours in order to learn the English language, while our English speaking compatriots are learning French at the expense of all Canadian taxpayers during hours which should be used for their office work. I wonder whether that is fair or whether it is essential, to settle the bilingualism problem existing in the federal civil service. We know that the minority Therrien report is quite explicit on that matter. In fact, Mr. Therrien stated:

> French Canadian civil servants cannot freely use the French language as a means of communication within the federal administration.

Federal civil servants from the province of Quebec asked for a special consideration and indemnity, in other words, that a bonus be paid to them because they are bilingual. I wonder when the government will take action and give effect to its promise, because we who sit on this side of the house are despairing and we wonder if this will not be another promise put off indefinitely, as the government did when it promised to appoint two ministers of agriculture, one for eastern Canada and one for western Canada.

Mr. Francis: Mr. Speaker, may I direct a question to the hon. member?

Mr. Pigeon: Yes, Mr. Speaker.

Mr. Francis: Mr. Speaker, can the hon. member for Joliette-L'Assomption-Montcalm tell us whether he considers himself a bilingual person, as stipulated in the bill he is introducing?

Mr. Pigeon: Mr. Speaker, I must tell the hon. member for Carleton that I am not perfectly bilingual, but that I speak English well enough to make myself understood. If all English speaking civil servants in Canada were able to speak French as I speak English, that is well enough to be understood, I think that the situation would be greatly improved in this country.

Mr. Dupuis: Mr. Speaker, I wish to put a question to the hon. member for Joliette-L'Assomption-Montcalm. If I am not mistaken, he said a while ago that the present Minister of Justice stated in Toronto that he held the civil service commission responsible to a certain degree for separatism, did he not? In that case, is not the hon. member surprised to see

that the French Canadian ministers at the time of the Conservatives, for six years, did not have the courage of the present Minister of Justice to put the record straight?

Mr. Valade: Mackenzie King never said a word of French in 25 years. He never spoke French in the house.

Mr. Dupuis: I have no interest in what you say. I am directing my question to the hon. member for Joliette-L'Assomption-Montcalm.

Mr. Valade: That is the Liberal party for you. Hypocrisy—

Mr. Pigeon: Mr. Speaker, I do not want to use wounding words about the hon. member for St. Jean-Iberville-Napierville. I wish to congratulate him on his remark, because it is his first since he was appointed Minister without Portfolio—

Mr. Dupuis: Another lie.

Mr. Pigeon: When we were in office we had distinguished ministers who could express themselves in both languages more easily, I think, than the hon. member for St. Jean-Iberville-Napierville.

Mr. Dupuis: The hon. member for Joliette-L'Assomption-Montcalm is not answering my question. I am asking him why, in six years, under the Conservative administration, the French Canadian ministers did not show the same courage as the present ministers. The hon. member is not answering my question.

[*Text*]

The Acting Speaker (Mr. Batten): Order. I should point out that we are now on second reading of this bill. If there are some members who would like to ask questions of the hon. member for Joliette-L'Assomption-Montcalm there will be an opportunity for a reply to be given to those questions when the hon. member closes the debate on second reading.

[*Translation*]

Mr. Maurice Rinfret (St. James): Mr. Speaker, the hon. member for Joliette-L'Assomption-Montcalm (Mr. Pigeon) has been a member of the government for six years and he never suggested any positive approach to improve the recruiting of French Canadians for the civil service. In fact, I wish to draw to the attention of the hon. members of the house the fact that the previous government refused to set up a commission on bilingualism in Canada—

Mr. Choquette: Hear, hear.

Mr. Rinfret: We know that the Leader of the Opposition is now persistently reproving the work of the commission on bilingualism.

Mr. Speaker, bilingualism is the characteristic of a country where two languages are spoken and officially recognized. Bilingualism in Canada is a fact arising out of historic circumstances; two linguistic communities have lasted side by side.

The French community has taken root in the soil of North America 350 years ago. Today, descendants of that ethnic group exceed 6 million in Canada, that is 30 per cent of the total population. They have succeeded, in spite of difficulties, in maintaining and developing the integrity of their culture. The English community settled later in Canada and it expanded through immigration from the British isles.

The English as well as the French communities have rights that are recognized under the confederation pact, which was an agreement between two provinces, but also between the two founding groups. Today, Canadians of good will are trying to find ways and means of developing within the Canadian confederation a partnership of two nationalities sharing equal rights and equal opportunities.

Every Canadian citizen has the right to speak his own language and also the right to be served in his own language by every administrative body in his country.

The Civil Service Act confirms this principle under section 47, as follows:

> The number of employees appointed to serve in any department or in any local office of a department who are qualified in the knowledge and use of the English or French language or both shall, in the opinion of the commission, be sufficient to enable the department or local office to perform its functions adequately and to give effective service to the public.

While we are considering this bill, we reiterate the principle of French Canadian representation and we say that this representation is not, at present, what it should be as far as number and appointment to key positions are concerned. Mr. Eugène Thérrien, member of the Glassco commission on government organization, gives us some revealing figures. In 1961, out of 5,000 civil servants paid more than $8,000 a year, there were less than 600 French speaking Canadians—

Mr. Choquette: Shame on the Conservatives.

Mr. Valade: Could you give us figures for previous years under Mackenzie King?

Mr. Rinfret: I have here the figures for 1961.

In 11 departments, six French Canadian civil servants out of 163 were paid $14,000 or over a year. Several departments do not have a single French speaking high official. The same applies to crown corporations.

Nobody can blame French Canadians who try to improve their lot when it is a known fact that the federal government employs 334,000 persons and pays salaries amounting to $135 million a year.

The present government, through the cabinet, the Secretary of State and the Civil Service Commission of Canada is conscious of the situation and has taken immediate steps to create within the departments and the civil service, a state of mind and an awareness designed to promote a greater participation of the French element and a higher proportion of French Canadian high officials.

In order to promote bilingualism throughout Canada, the government has set up a commission to conduct a survey among the public with regard to this problem. The present government has recognized the principle of bilingualism by establishing a commission made up of an equal number of French Canadians and English Canadians, speaking both official languages. The terms of reference of this commission are specific with regard to bilingualism in the federal civil service.

May I be permitted to quote from order in council No. 1106, of July 19, 1963, the following:

> —to report on the state and practice of bilingualism in all federal government services and institutions, including crown corporations, as well as in their contacts with the public, and to make recommendations to ensure the bilingual and basically bicultural character of the federal administration.

Mr. Speaker, here is a firm and resolute expression of the government's intention to respect the equal status of the founding groups of this country, and to add thereto the contribution of other ethnic groups living in Canada.

The government is building hopes on the practical findings of the Laurendeau-Dunton commission, but is adopting immediate reforms.

To permit higher level employees to learn a second language, either French or English, the civil service commission has established in Hull a bilingual school, where 460 civil servants followed a three month course. Moreover, every department offers in service courses in French and English.

Under the leadership of the Secretary of State, a cabinet committee is endeavouring to establish, on a practical level, an equal status for French and English as regards the printing of documents in every department.

To back up this cabinet committee, an interdepartmental committee composed of high officials from departments and crown corporations has been set up to bring forth concrete recommendations concerning the recruiting, the examination system, the training and promotion of personnel, to fulfil the requirements of bilingualism. To attain that objective, the government gets the full cooperation of the civil service commission and high officials.

The government is anxious to promote the recruiting of French speaking employees. The civil service commission has invited about 20 professors of the four main French speaking universities in order to give them information concerning working conditions and careers opened to university graduates.

In addition to that meeting, officials of the civil service commission go to universities and classical colleges to create interest in federal civil service jobs among the professors and students. Our French language universities and teaching institutions must increase their efforts to guide our graduates towards careers in the federal civil service. The civil service commission did make some changes in the examination procedures to take into account the Quebec education system. It must keep on playing its part by giving training and promotion opportunities to French speaking civil servants.

Mr. Speaker, there is a new determination to get a proportion of French Canadians within the federal civil service. In the present circumstances, the French speaking members of this house have to look up the civil service competition notices and encourage people to apply for these competitions by going around the teaching institutions in their riding or area, and advising their electors of the employment opportunities.

Under the leadership of our religious and civil authorities, the candidates will be more numerous and more qualified and our representation within the civil service will increase in numbers and influence.

It is the responsibility of all Canadians, from all parts of this country, to fully realize the benefits of bilingualism, to try and practice it ourselves, to encourage our young people to learn the official languages of our country, and to make known everywhere the benefits of bilingualism.

It is true that treaties, agreements, laws lay down a policy about the status of the official languages in this country, but it is above all a spirit of understanding and justice that must dictate the efforts of those who want to see the development in Canada of a spirit of greatness and unity, so that, as stated by the present Prime Minister:

> All Canadians can feel confident that, within our nation, they can, protected from all discrimination and enjoying the status of full partners, build a wonderful future for them and their descendants.

Mr. Pigeon: Mr. Speaker, could I ask the hon. member a question?

[*Text*]

The Acting Speaker (Mr. Batten): The hon. member for Burnaby-Richmond (Mr. Prittie).

Mr. Pigeon: Just one question, Mr. Speaker.

The Acting Speaker (Mr. Batten): I think the proper procedure during the hour from five to six is to allow, as far as possible, one member from each party in the house to speak. We have now had one member from the official opposition and one from the government side of the house. The Chair now recognizes the hon. member for Burnaby-Richmond.

Mr. R. W. Prittie (Burnaby-Richmond): Mr. Speaker, I listened in French but I will speak in English during this debate. Very frequently in this private members' hour we have very little to guide us by way of party policy, but I did take the trouble to check our policy on this matter concerning bilingualism in the federal civil service. I find it is this, and I quote from our program:

> Within the federal civil service the equality of both cultures should be established and the following steps taken to that end:
>
> (a) after a reasonable period of transition, bilingualism would be a qualification of appointment or promotion to higher posts of the federal civil service;
>
> (b) a language school would be set up for federal civil servants wishing to become bilingual which could be attended during working hours;

I know that this has been done, but the Liberal party are always doing a year or two afterwards what we have advocated.

Mr. Byrne: What you have advocated after we have done it.

Mr. Prittie: No, that is never the case. You are the greatest platform stealers there are. But I will go on, Mr. Speaker.

The requirement that people in the higher grades of the civil service, particularly those who aspire to positions in Ottawa, should be bilingual is, I think, a good one. I refer to those people who are, or may in time become the heads of departments, directors, their assistants, chiefs of branches, ministers, deputy ministers, and so on. These people should make it their business to become bilingual. I am very glad the government have established the school that has been established, and send certain civil servants of executive rank to this school in order to effect an ability in the other language. The hon. member for Joliette-L'Assomption-Montcalm (Mr. Pigeon) referred to this school and seemed to indicate that only those who are English speaking and wish to learn French are attending the school. But this is not the case, as I understand it, because there are young people from Quebec and from the other provinces who speak French only and are perfecting their English at this school.

Unless you live in a bilingual atmosphere in this country, acquiring the second language is very, very difficult. If you live in Calgary, Vancouver or Halifax, to learn the French language is an extremely difficult process; and I know because I have been working at this for many years I must say that in the atmosphere of Ottawa, in two years I have learned more than in my years of high school and university in Vancouver. But, Mr. Speaker, it is not easy. I know this applies more to the English speaking civil service than it does to the French, but not entirely. The people who are attending this school are expected to become top flight civil servants. If they are going to be really bilingual, this means more than mere conversational ability; it means the ability to write letters and prepare reports in both languages. I suggest that many of the graduates of French universities coming into the civil service, who may be able to speak English but have not that ability to which I have referred, will perhaps be helped by this school.

However, the point of the bill is that all persons in the civil service who are bilingual should receive additional pay because of this ability. With this I do not agree, and for this reason. I would suggest that where the job requires two languages, yes, they should receive additional pay. This would require a determination as to where the two languages are required. Throughout Canada there are many places where a civil servant will never have any occasion to use the French language or be required to use it. A person working in a post office in Victoria, for example, or at a border crossing point between Alberta and

British Columbia would use the French language only on very limited occasions.

Similarly there are many places in the province of Quebec where very little English is spoken; I believe in the Saguenay region and the lower St. Lawrence around Rimouski. If the English speaking people in that region did not know French originally they would have learned it by this time. There are other places, such as Ottawa, Hull, Hawkesbury and Sherbrooke, where postal clerks or custom inspectors should know the two languages, and in this case such persons should receive extra pay for the extra qualification.

The definition of bilingualism given by the hon. member is not sufficient. You have to define bilingualism for the particular job. Let us consider the persons working around parliament hill, the constables, elevator operators, the people in the cafeteria. To be reasonably proficient in conversation in both languages is sufficient if you do not have to write letters or to draft memoranda. In a great many other positions the ability to write letters and to prepare reports should be a bilingual requirement. Many people who consider themselves bilingual cannot write complex letters or prepare draft memoranda in both languages.

Mr. Choquette: What about the page boys?

Mr. Prittie: I will not comment on that. So that we have to set up a standard of testing. If only conversation is required, there would be one test. If conversation and writing ability is required, there would be another test. A person should be required to pass a test for a particular job. If we are going to give them extra pay they must pass an extra test. They must meet the requirements in order to receive extra pay.

My main objection to the bill is that it really does not mean completely bilingual persons. In the definition part of the bill, under clause 2(a) the following appears:

> 2. In this act,
>
> (a) "bilingual persons" mean persons who are capable of speaking and writing fluently in both the English and the French languages;

That in itself is all right; but clause 3 goes on:

> —it shall be the duty of the person or persons responsible for such appointments to give a preference to bilingual persons so that there shall be in the public service, in crown corporations, in works, undertakings and businesses above mentioned, a number of bilingual persons proportionate to the number of French speaking Canadians throughout the country.

[Mr. Prittie.]

In the explanatory note the following appears:

> The purpose of this bill is to correct, in so far as it is possible to do so, the discrimination which now exists in the public service and in crown corporations in the recruiting and employment of persons of French origin, and to give a preference to bilinguists.

This is making a French speaking Canadian synonymous with the word "bilinguist". I realize that the great majority of civil servants who are bilingual are of French speaking origin; but not all, and the two should not be made synonymous.

Another point has come to my attention, and it is that there is a general tendency on the part of some French speaking Canadians to regard only people of French origin as bilingual. I have heard a couple of civil servants with European background, from Poland and Czechoslovakia, speaking French very well, but they are not considered bilingual because they do not have a Canadian accent. This is a form of snobbery which we could do without.

To sum up, as the bill stands I do not agree with it; but I do agree that we should recognize that there are certain bilingual jobs, and where bilingualism is required there should be a proper test. In such cases persons should be paid for their extra ability and for being proficient in the other language.

[*Translation*]

Mr. Guy Marcoux (Quebec-Montmorency): Mr. Speaker, the subject matter of the bill introduced by the hon. member for Joliette-L'Assomption-Montcalm (Mr. Pigeon) is quite complex and requires, I believe, a more elaborate study than that provided in the bill. I have a great respect for the hon. member and for his remarks and speeches which often make his colleagues' hair stand on end. But in my opinion, the problem should be considered from another point of view.

Incidentally, I wish to congratulate the hon. member for St. James (Mr. Rinfret) for his splendid contribution as well as the hon. member for Carleton (Mr. Francis) who was, himself, a distinguished bilingual official.

To ask for a proportional representation of French Canadians within the civil service regardless of competence is perhaps to venture a little too far. Of course, it must also be recognized that the civil service commission often requires for certain positions qualifications based on personal characteristics, competence and schooling of the applicant. It must be kept in mind that the Civil Service Act, as provided in chapter 48 of the Revised Statutes of Canada, 1952, as well

as in regulation 21 of March 30, 1962, allows practically full discretion to the civil service commission.

I would be much more in favour of an investigation being conducted within the civil service commission as such, regardless of the matter of languages, so as to know what qualifications are required and what standards are applied before a position is given to an applicant.

There would also be the question of salaries. When we know, for instance, that someone in Quebec or in Ontario may earn $6,000, $7,000 and $8,000 in a certain position and that someone, with the same qualifications, in the maritime provinces or some of the western provinces may be satisfied with a salary of about $5,000, we realize that the Quebec candidates, who might be bilingual, may not be interested in applying for those positions. This means that it would be extremely difficult to find some empirical common ground as suggested. In my opinion, it would be necessary to study that matter in depth, rather than on the single aspect of bilingualism.

There is, for instance, in Quebec, a crown corporation whose name I shall not mention and whose English speaking employees, after attending French classes at university, are the proud holders of a certificate showing that they are proficient in the French language and therefore eligible for a salary increase or a bonus because they are bilingual. However, nothing has changed in their own attitude. They do not speak a word of French in their work and all correspondence is done by all employees in English only. Even when they do business with French Canadians who speak to them in French, they do not try to answer in French; they give negative replies or even answer in English to French Canadians.

All this means that the problem is very complicated and that we should dig much deeper.

I would now like to deal with another aspect of the matter but, as I have the impression that the hon. member for Carleton wants to take part in the debate, I will shorten my remarks. In spite of the government's good intentions, in spite of some policies it might want to convey to the civil service commission, I think that, in many cases, it will become obvious that the government is unable to realize its objectives. However, there are certain cases where it may succeed. For instance, out of the 25 ministers, 15 are English speaking, including one who died recently and nine are French speaking. This indicates that the proportion has been well maintained, and I wish to commend the government for that.

On the other hand, what surprises me the most is that the Minister of Industry, Mr. Drury, who is bilingual, does not seem to be willing to recognize that French speaking Canadians can be competent enough to perform certain duties in his department. Quite recently I was reviewing the different positions granted to French speaking Canadians in the Department of Industry and I saw only two French names on a total of approximately 25—I speak from memory—including one French speaking Canadian from Sarnia, Ontario, so that we can assume he is probably more proficient in English than in French, and another from the Montreal area.

I wonder why the minister has been unable to find more than two French Canadians to hold key positions. Those positions were filled through a competition of the civil service commission, I know, but I am also aware of the fact that the qualifications were undoubtedly set by the commission at the request of the minister. It is the minister who should have insisted, since he is bilingual and especially since he comes from French Canada.

If my understanding of the bill introduced by the hon. member for Joliette-L'Assomption-Montcalm is correct, the purpose is not to have all English speaking officials become bilingual, but to provide that about one third of all civil servants must be French Canadians. Naturally, that would not stop French speaking officials from being bilingual, in the sense that they would know English; on the other hand, the remaining two thirds of our civil service, the English speaking employees, would be able to speak French. I wonder why the Minister of Industry has not seen fit to demand a greater use of French in his department, especially as he is from Montreal.

Mr. Speaker, there are so many things I should like to say that I hope a further similar bill will come up at some later date, so we can go further into the matter, as I am not at all anxious to kill this bill. I shall leave that job to others. So let me point out once again that this is a very complex problem indeed, and that all I have said so far can be summed up in one sentence: let a thorough inquiry take place within the civil service commission, not only to look into the matter of bilingualism in the civil service but also into the operation of the commission itself.

If we study the legislation, we always find some little chapter which enables one to

evade the law or to create an exemption of some kind, such as an order in council, to get round the act. I feel the government should make a thorough investigation of the civil service—therein lies its basic work.

Hon. Théogène Ricard (St. Hyacinthe-Bagot): Mr. Speaker, I only have a few words to say about the measure now before us.

First, I should like to congratulate my friend, the hon. member for Joliette-L'Assomption-Montcalm (Mr. Pigeon) for introducing a measure intended to increase bilingualism in the civil service.

I would not let such an opportunity go by—that is why I rose to speak—without making a few remarks following those of the hon. member for St. James (Mr. Rinfret) and the hon. member for Burnaby-Richmond (Mr. Prittie).

For the few minutes he took part in this discussion, the hon. member for St. James upbraided us. He said that when we were at the helm, we did very little to favour bilingualism. Now, I should like to point out to the hon. member for St. James and to all hon. members the initiatives we took in this respect. For instance, we introduced simultaneous interpretation and bilingual cheques, we corrected the forms of the last census in 1961; we appointed a French Canadian governor general. Moreover, I avail myself of this opportunity to remind the house that, when I came here in 1957, practically all notices on parliament hill, inside as well as outside, were in English only. I took action to obtain the required change and, today, we can see that all, or almost all, such notices are bilingual.

And I shall ask those who might question what I am now saying to give a telephone call to the Minister of Public Works (Mr. Deschatelets), to whom I recommended as recently as last week to replace a unilingual by a bilingual plate.

As far as the hon. member for Burnaby-Richmond is concerned, I think that his way of looking at bilingualism would result in encouraging separatism.

According to his theory, bilingualism should be confined to the province of Quebec, or to those localities where French is needed. Now, Mr. Speaker, how could bilingualism be favoured throughout the country if you adopt an attitude which would limit bilingualism to a single area?

Those are the few remarks I wanted to make, and I beg the hon. member for St. James not to look for any bitterness where he is concerned. I wanted simply to remind him of some facts which he probably knew anyway.

[*Text*]

Mr. Lloyd Francis (Carleton): Mr. Speaker, it is now three minutes to six o'clock. There are many things I should like to say about the bill but the time remaining to me unfortunately does not permit. Many points have been made in the debate concerning the development of a bilingual policy in the public service. I should like to say at the very beginning that I do not think there is any doubt whatsoever in the minds of the overwhelming majority of members of the house that we are determined to promote the highest possible degree of bilingualism so that a person communicating with any department of the government will have the right to receive full and complete information in whichever official language the correspondence is initiated. I am sure that every department is actively recruiting with this in mind to make sure that the service which is the right of every taxpayer is rendered, according to fundamental respect for this principle.

But, Mr. Speaker, it seems to me there is a great gap between this principle and the legislation before us. The legislation before us would in effect adopt a quota system. It would say that within a quota the language requirement would take precedence over all other requirements for appointment. I have serious doubts whether this is administratively feasible. If it is feasible, there are certain absolutely minimum requirements which would have to be respected by the civil service commission.

The first of them, Mr. Speaker, is the definition and determination in the language of the bill of who is competently bilingual, which language refers to people "who are capable of speaking and writing fluently in both the English and the French languages". I ask my good friend, the mover of the bill, if he considers himself to be a bilingual person and I understand that his answer is yes. I respect his competence in the two languages, but I would point out to the hon. member that I know there are circumstances where he has some difficulty with the English tongue, just as I have some difficulty with the French tongue. I have made an effort as a member of the house and as a citizen of Canada to try to understand the two languages as best I can.

Mr. Pigeon: If you will use your brains you will see what I mean by bilingual.

Mr. Francis: Mr. Speaker, if the hon. member will bear with me, I simply wish to say in the very short time remaining that it is not easy to say who is bilingual. There must be some objective measurement, both written and oral, which means that the civil service commission has to adopt certain procedures which are beyond any question of not being objective. This is what has not been done in this measure.

I want to say one other thing, Mr. Speaker. I know I am stretching my time, but under this legislation the number of French speaking Canadians throughout the country has to be determined. How is this to be done? Are you going to take the last census? Will you accept mother tongue according to the census as the basis of the proportion? If this is to be so, then in the last census of June, 1961, 28.1 per cent of all those in Canada replied that their mother tongue was French.

Mr. Ricard: Don't ask questions; give answers.

Mr. Francis: Mr. Speaker, I think at this stage I have to face the fact that it is now six o'clock.

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

BUSINESS OF THE HOUSE

Mr. Deputy Speaker: It is my duty, pursuant to provisional standing order 39A, to inform the house that the questions to be raised at ten o'clock this day are as follows:

The hon. member for Winnipeg North Centre (Mr. Knowles), income tax, hospitalization plan payments by employers treated as income; the hon. member for Comox-Alberni (Mr. Barnett), labour relations, British Columbia, freedom of workers to join union of choice; the hon. member for Winnipeg North (Mr. Orlikow), discussions respecting future correctional policy.

At six o'clock the house took recess.

AFTER RECESS

The house resumed at 8 p.m.

FARM CREDIT ACT

AMENDMENTS INCREASING AUTHORIZED CAPITAL, MAXIMUM LOAN LIMITS, ETC.

The house resumed consideration of the motion of Mr. Hays for the second reading of Bill No. C-100, to amend the Farm Credit Act.

Mr. Reynold Rapp (Humboldt-Melfort-Tisdale): Mr. Speaker, I have just a few remarks to make on this bill before it is considered clause by clause in committee. At the outset, I should like to say that I welcome the amendments which have been introduced, especially the provision whereby loans under part II are to be increased to $40,000 and under part III to $55,000. There is only one reservation that I have and that is, since the interest rate is not spelled out in the bill it could mean that the interest rates charged could vary from 6 to 7 or even 8 per cent. I do not believe this is a desirable thing to have. The interest rate is set at 5 per cent in the act now. However, when the bill comes before the committee for clause by clause discussion I shall be urging the minister to make provision for a definite interest rate in these regulations.

Another matter which I should like to bring to the attention of the minister is that the definition of a farm is being broadened sufficiently to include beekeeping. I come from a province where beekeeping is a secondary industry for many farmers. In Saskatchewan we have the Saskatchewan honey co-operative which produces the so-called Sasco honey. This provision will be welcomed by the beekeepers, because they will be classified as farmers and will be eligible for loans, the same as the grain farmer or the livestock raiser.

This beekeeping industry is a very important one. In the three western provinces we have the interprovincial honey sales co-operative. It may be of interest to note that the exports of this honey amount to something like three million pounds a year, most of which goes to Britain. Since this is such a valuable source of income to the farmers, even though to some of them it may be a secondary industry, I think provision should be made in this act whereby, although a farm may not be classified strictly as a beekeeping farm and even though it is secondary to some other branch of farming such as livestock, these beekeepers should be able to obtain loans.

As I said before, this beekeeping industry is a very important one and brings in quite a bit of income. As time goes on, I am pretty sure that this interprovincial honey co-operative will expand. At the present time it is more or less the sole supplier of the market in Britain. The United Kingdom has long been

an important market for Canadian honey and at the present time we are the exclusive suppliers of Canadian bulk honey. In my opinion, this is the appropriate time to have the beekeepers included in this clause under which they would be classified as farmers and be eligible for loans just as other farmers are.

There are many other points about which I should like to speak when we come to the clause by clause discussion. I should like to stress the fact that these loans will be increased, but since the minister will not be setting the interest rates for the loans they will not be of any help to the farmer. For instance, there might be a time when interest rates are high. After all, these loans are not taken out for only four or five years; they are taken out for 20 years or more. After some time has passed, for some unknown reason interest rates may be lower and the farmer who obtained a loan on which the interest rate is 7 per cent will be out a great deal. Therefore I urge the minister to give serious consideration to having the interest rate set the same as it is at present, namely 5 per cent.

Mr. E. Nasserden (Rosthern): First of all, Mr. Speaker, I should like to say it is now over a year since the government assumed office and we have looked forward to the presentation of legislation as an indication of the direction it would take in regard to agricultural policy. The production of any particular piece of agricultural legislation gives an indication of the direction the government is taking, and it also affects other legislation that might be brought forward from time to time.

The bill before us, if it indicates anything, indicates that the government is going for larger and larger farms, and for the ultimate elimination of the smaller farms in this country. For that reason I am deeply disturbed at the effect this legislation will have among those vast numbers of smaller farmers in my own province of Saskatchewan, farmers who have been unable to make use of the Farm Credit Corporation up to the present, and also at the effect it will have on small farmers in other areas of Canada, of whom there are great numbers in parts of the maritimes and the province of Quebec. These people at present are unable to utilize the Farm Credit Corporation under the regulations now in effect.

If I might have the minister's attention I would like to suggest to him that before the limits on the amount of loans are increased, a good long look should be taken at the plight of those farmers who are unable to benefit from the legislation we have. These farmers are very numerous and form the bulk of the community known as the agricultural community of Canada. They have a great part to play in the orderly development of this nation in the years ahead. I do not believe the government should forget them in its haste to bring forward some legislation so that it can say it has done something with regard to agricultural problems.

Hardy farmers who at present are unable to benefit from existing legislation must know that raising the limit of loans to $55,000 is not going to mean anything to them at all. Yet these people remain the source of the greatest problems facing the nation and the Department of Agriculture.

The other matter which engages my attention is that of the interest rates, which was raised by the hon. member for Humboldt-Melfort-Tisdale (Mr. Rapp).

Mr. Herridge: By the hon. member for Kootenay West.

Mr. Nasserden: That may be so, but unfortunately I was not in the house this afternoon when he made his speech. When the Farm Credit Corporation was set up a few years ago, interest rates became a subject for discussion, and at that time it was felt a 5 per cent interest rate represented a fairly good average of what interest rates might be over a long period of years. For that reason, and after a great deal of discussion as hon. members will recall, the corporation was set up and the interest rate set at 5 per cent.

The bill before us does not change the interest rate on the existing loans, but it does open the door to increased rates. I believe it will also be an incentive for an increase of interest rates in other aspects of the economy. For that reason I would like the minister to take this matter into consideration before that part of the bill is debated in committee. Most people borrowing money like to know what they are going to have to pay for it.

As the bill presently reads, a situation could be created where one farmer would be paying one interest rate and his neighbour paying another rate, depending on when each took out his loan. This would lead to some inequities that would be very difficult to explain.

I hope the other legislation that the minister has promised will be a little more productive than this because, after all, this bill hardly touches the problems of agriculture as they

exist today. All it will do is aggravate some of the problems. The man who presently can qualify for a $27,500 loan is in a good position to help himself, and it is the position of the other farmers which we should be concerned about.

The record of the Farm Credit Corporation has been a good one, but some of the risks that might have been taken have not been taken. It may not move as quickly as some of us would like, but we hope it and the government, stage by stage, will try to make loans available to the people who require them. I may have further remarks to make later on, but that is all I have to say at present.

[*Translation*]

Mr. Maurice Côté (Chicoutimi): Mr. Speaker, under this bill to amend the Farm Credit Act, it will be possible to increase the operating capital of the Farm Credit Corporation out of the consolidated revenue fund. The maximum amount of loans will also be revised upwards.

As far as the first point is concerned, that is, taking money out of the consolidated revenue fund, I feel that such a step is not an innovation. It does not take a genius to think of that. The inventor of the wheel rendered a greater service to the human race than those who think of drawing on the consolidated revenue fund.

Everybody is aware of the iniquitous scheme which consists in taxing the Canadian people more and more as, for instance, in the case of the 11 per cent excise tax on manufactured goods.

We know that once it has reached its destination, in the hands of the consumer, that tax has already cost over 40 per cent to the consumers, according to calculations made by eminent accountants. To increase the operating capital of the Farm Credit Corporation through the proposed method is the same, all in all, as digging a hole to fill another. Such a step is both sterile and infantile. By resorting to the sovereign powers of the Canadian parliament, we could take back the regalian prerogatives to issue credit that were handed over to chartered or commercial banks and transfer them to the appropriate government agency, that is, the Bank of Canada, which, under the high authority of the national credit council, would supply the Farm Credit Corporation with the credit required for the smooth operation of that undertaking. This could be done at a nominal cost. Thus, the Canadian farmers could be allowed loans at a reduced rate in order to sell their production at a profit.

The great problem in agriculture at the present time is that farmers do not make profits. They leave their farms and give up their land for the simple reason that it is not a paying proposition. Let us give them the opportunity to make profits as any other normal enterprise. Is there anyone who likes to work for nothing? Profit is the rightful purpose of all transactions and undertakings.

According to the latest statistics, the net income of Canadian farmers has decreased by 5.4 per cent, which represents a loss of $80,700,000, while the Quebec farmers have lost more than $3 million in net income.

Those figures speak clearly and are a good indication that agriculture is now in a state of regression. It is not by increasing the debts of farmers that we will be able to develop agriculture.

It must be considered that agriculture is the most important branch and even the basis of the Canadian economy. If that branch of the economy is in a state of regression, what will happen? Will we be able to continue the development of the national economy? At the present time, this slackening is caused by the high inflation pressure on our monetary system. Canadian finances are really in an incredibly bad shape.

With this measure and similar ones which have been presented to us for some time or will eventually be introduced, the government is increasing monetary inflation. That does not solve the basic problem; it only helps to displace it.

I read the other day in *Le Soleil* of May 29, 1964, a newspaper of my area, that farmers were complaining, through the Saguenay federation of the U.C.C.; and they had reason to complain, because the federal Department of Agriculture had eliminated a subsidy to dairy products. This question was asked:

> Strangely enough, we are told that two years ago, one of the biggest cheese dealers in Canada had a lot of cheese to export. Now, the export subsidy for that year was 4 cents a pound.
>
> At the present time, that same firm would sell all its cheese on the national market.
>
> Is it by a mere coincidence in the federal policy that the cheese export subsidy is high when capitalist concerns have cheese to export, and that the subsidy is low when producers export their cheese themselves?

Those are rebukes which are justified. I am deeply convinced that increasing the debts of the farmers will not help us settle those problems.

During the discussion on agriculture estimates, I observed, on several occasions, that it was practically only with subsidized products that the farmers could make good, while as regards non-subsidized products, farmers lose too much money and give up production.

In concluding, I should like to raise another point which to my mind is extremely important. Looking into the balance sheet of the Farm Credit Corporation, I noted that among the ten members of the board, there was only one French Canadian. I feel that here again racial discrimination prevails; it is an odious and revolting treatment, and I hope that this inequality will be corrected.

It is amazing to see how, in all businesses, crown corporations, all kinds of corporations concerned with farm credit or anything else, that systematic ostracism has been applied for a number of years. And yet there are parliamentarians and Canadians who are amazed to hear about separatism or to receive representations from the province of Quebec, against that sort of treatment applied to French Canadians who are full-fledged Canadians.

I hope that such an absolutely inconceivable situation will be corrected.

[*Text*]

Mr. J. E. Pascoe (Moose Jaw-Lake Centre): The hon. members for Mackenzie (Mr. Korchinski) and Rosthern (Mr. Nasserden) gave a clear outline of possible defects or weaknesses in the farm credit program envisaged in Bill No. C-100. I agree with their contention that the Minister of Agriculture (Mr. Hays) has apparently made very little attempt to tackle the main problem confronting agriculture which is, of course, the increasing cost of farm operations. What the minister has done is to double the amount which can be lent to farmers by the Farm Credit Corporation.

Bill No. C-100 might be described as a grandstand play by the government. I am expressing my own opinion when I say that loans of $40,000 or $50,000 may assist some farmers. Indeed, I would go as far as to say that loans of this size will greatly help a certain proportion of our farmers. But they are not the answer to rising farm costs. Although the minister has almost raised a club over our heads by indicating that there is very little money left from which to make farm credit loans, I think he is moving too quickly with regard to this bill. On occasions he has indicated a move to lighten the load of farm machinery costs. I think he should have revealed these plans first, because they could cut operating costs and thus reduce the need for large amounts of farm credit.

If farmers could be assured in the years ahead of $2 wheat, as promised by the government, the need for farm credit would be reduced. If they could be assured of wheat markets in the years ahead, the need for large farm credits would similarly be reduced. My main objection to this bill is that, though credit facilities are so greatly expanded, little action has been taken by the government to guarantee that farmers will be able to repay their loans. Credit, in the absence of a definite, long range economic program for agriculture, will not provide for family farm security.

In this connection I found the following report as to the plans of the agricultural economics research council of Canada most interesting. I may say that this council is supported by the federal government, provincial government, farm organizations, cooperatives, and business and industry associated with agriculture. If I may I should like to read a few excerpts from this report. It states:

> The first project will be a study of the relationship between Canadian agricultural policy and what is generally referred to as the farm problem. The purpose of the study is to analyse the objectives of past and present farm policies and relate them to the programs which have been implemented to achieve these objectives. The emphasis will be upon determining the economic effects of current policies. Furthermore, the study will try to add to knowledge of why a fundamental problem of major significance to the economic well-being of farmers continues to persist.
>
> The third project—

And I think this is a very interesting one in connection with Bill No. C-100:

> —is a study of the capital supply for Canadian agriculture...The study will assess the earning power of capital and relate it to the problem of creating new forms of credit which will be adequate for modern farm businesses.
>
> The fourth study is designed to study the place of agriculture in the national economy...The purpose of this study is to analyse the position of agriculture in present-day Canadian society with a view to providing information which would assist agriculture, the general community and government to cope with the strains imposed by the changes which are taking place.

Mr. Speaker, the minister does not appear to be very interested in these remarks. I would draw to Your Honour's attention that we are speaking of Bill No. C-100, and if I could have the minister's attention for a few moments I would appreciate it. In the light of these research projects I say again that the Minister of Agriculture is attempting

to supply large amounts of farm credit before the whole future farm program is worked out. The government should concentrate on these research studies regarding loan repayment possibilities. Piling up credit debt is not the answer, although adequate credit facilities certainly are part of the long range farm program.

I would ask the government to produce its plans for lower machinery costs. As I said before, what about the promise of $2 wheat as a guarantee for future sales? A large amount of wheat has been sold in this crop year at good prices, so there should be a great deal of the farmers' own money standing to their credit. I suggest the government make an interim payment now to the farmer growers. With assured markets for $2 wheat and a good interim payment each summer, the farmers may not need $55,000 loans.

In conclusion, Mr. Speaker, I support a program which will provide reasonable farm credit, but it should be only one part of the whole agricultural program. The complete program should have been made known before we were called upon to pass Bill No. C-100.

Mr. Speaker, those are all the remarks I want to make now, but I intend to make more specific comments when this bill is studied in committee.

Mr. John Mullally (Kings): Mr. Speaker, like all hon. members who represent rural agricultural ridings I am very much interested in anything which has an effect or bearing on agricultural problems of our farmers. First of all I think the minister should be commended for bringing this legislation before the house, as well as for the other legislation which he has prepared, some of which is already on the order paper. I am sure the minister has the confidence and the respect of the farmers everywhere in Canada.

Some hon. Members: Hear, hear.

Mr. Mullally: This is very evident, Mr. Speaker, when one attends an agricultural meeting, discusses matters with farmers, reads the editorials in our agricultural newspapers, or indeed in any press in Canada. The minister is a farmer at heart, a very successful farmer indeed, with a deep knowledge of farm problems and I am sure he is able to bring forward many measures will be to the benefit of farmers everywhere in Canada.

The legislation we have before us at the moment, to provide amendments to the Farm Credit Act, is one of four measures being considered at the present time to assist farmers throughout the country. With regard to the others, I would first refer back to what the last speaker said. He said we should have presented our program before presenting various pieces of legislation. However I think our program is very well known; it was made public to the people and to the farmers of Canada during the last two election campaigns. The people of Canada endorsed it and decided this was a very acceptable program and we are proceeding with that program. This is the first step. At the same time, Mr. Speaker, farm credit is not entirely confined to the Farm Credit Act; there are other methods of providing credit for farmers. I am thinking particularly of farm improvement loans. The minister has indicated that he will be bringing in improvements to this legislation as well. Also on the order paper we have a resolution preceding the introduction of legislation to deal with crop insurance. I think this is most important, to assure farmers that they will not suffer disastrous losses in the event of some natural disaster which could wipe out their crops. The minister has also announced that he will bring forward, as soon as the opportunity is available, an act to assist in the very difficult problem of the high cost of farm machinery; that is, measures to assist in some way to overcome the very difficult problem farmers are facing today with the high and rising costs of farm machinery.

Therefore, Mr. Speaker, I think these four measures are certainly a good initial step in our program for rural Canada and the farmers of Canada. I realize there is much to be done. I am sure all those who have spoken today and who will speak in this debate are aware of this and have the same thought in mind. It is extremely difficult, as they are also aware, to bring forward in this parliament all the legislation one would like to see enacted. We have a very crowded schedule and some things have to take priority. We are satisfied that the minister is doing a very excellent job for the farmers of Canada. I think the farmers of Canada are aware of this and are showing their appreciation of what the minister is doing.

I would like to comment very briefly on the four main improvements this piece of legislation attempts to provide to the Farm Credit Act. First of all it increases the capital fund of the corporation to $600 million. At the present time it is $400 million. With the rapidly increasing use of credit by farmers everywhere in the country it has become necessary to increase the capital fund which is available to the corporation in order to

provide the loans farmers require. I think a mere glance at the statistics and figures which are available indicate that in the year 1959-60 the corporation lent a total of $40 million; in 1962-63 this was increased to $90 million, and for the year just ended on March 31 it is anticipated that this amount will be $106 million. So we see that there has been a tremendous increase in the number of loans made and the amount of money which farmers are obtaining from the Farm Credit Corporation. Therefore it has become necessary to increase the amount of money available to the corporation to meet these demands. I think this is a very necessary and a very excellent step.

Second, the measure before the house at the moment will double the amount of money a farmer can borrow from the corporation. As we are all aware, at the present time under a part II loan a farmer can borrow $20,000; under part III it is $27,500. Some members who have spoken today have been rather critical of this effort by the minister and the government to increase the amount of money available to a farmer; in other words, to double the amount of money a farmer can borrow from the Farm Credit Corporation. I think this increase is very necessary, is very essential and will be very beneficial to the farmers of this country.

I am sure we are all aware that with the increasing value of land and the increasing cost of everything a farmer has to buy as a capital investment, it is necessary, even for the farmer who has not a large operation, to be able to borrow amounts larger than those previously provided under this act. Therefore I endorse this measure to increase the amount of money which an individual farmer can borrow from the corporation. It was mentioned just a few moments ago that this is an effort to eliminate the small farmer. I certainly do not think that is so, because I cannot see that this provision would in any way eliminate the small farmer or make it more difficult for him to borrow money. This would probably make it a little easier to operate, because any time the standards at the top are raised you make it easier for those borrowing lesser amounts at a lower level to obtain their loans.

I heartily endorse this provision. At the same time I would impress upon the minister and the officials of the Farm Credit Corporation, that they should give the most sympathetic consideration to the small borrower. They should be as lenient as possible within the limits of the act and regulations and give the small farmer as large a loan as possible consistent with his needs. But I do not think that increasing the limits as in this particular case, which I think are very essential and necessary with the increasing cost of capitalization for the average farm, will in any way place any greater difficulty in the way of the farmer to borrow the money he needs to conduct his farm operation.

The third amendment in clause 3 enables a farmer to borrow from the corporation for the purpose of advancing such loans to a member of his family who wishes to acquire farm land. I think this is a most important amendment. We are all concerned at this time with the great trend away from our farms, particularly in the case of young people. This provision enables a father to borrow money to finance his son, his son-in-law, daughter, daughter-in-law, or his nephews, nieces, brothers, sisters, stepchildren or foster children, in establishing a farming operation. This measure I strongly commend both the minister and the corporation for bringing into effect. This will do a great deal to keep many young people on the farm as well as to encourage others to take up farming as a vocation. It is most discouraging in my area, and I think the same is true in all areas in eastern Canada, to see so many of our young and intelligent people who were born on farms moving away from farming to take up some other vocation. We think that farming is the best and most satisfying and rewarding vocation in which to engage, and any effort made to keep our young people on the farms is to be highly commended.

The fourth amendment which this legislation provides enables a borrower who receives a part III loan to make his repayments equally over the entire period of the loan. Under the present regulations such a borrower has to make his repayments on his chattels during the first ten years of the loan. This places a very heavy burden on the young farmer during the early years of his farming life and makes it extremely difficult for him to make any significant progress, because his repayments are so high. By spreading his repayments for the chattels in the same manner as his repayments on money borrowed to purchase land, over the entire 30 year term of the loan, the burden naturally is eased during the early years of his farming operation, which makes it considerably easier for the young farmer to get started.

Another matter I should like to comment on, which is also part of the new provisions of the act, concerns the increased interest rate

for the larger amount borrowed in excess of the present amount which is being provided —$20,000 in the case of a part II loan and $27,500 in the case of a part III loan. The interest rate charged on such amounts over $20,000 on a part II and $27,500 on a part III loan will be an economical rate, which I think is very appropriate. If I had my way I would suggest that we lower the interest rate to 3 or 4 per cent in the case of smaller loans, but increase it on an escalating scale with the higher amounts; and at that particular level over $20,000 and $27,500 I think that an economical rate of interest is very much in order. I think it would be preferable if the small borrower were given a lower rate of interest, and the interest rate for loans over $20,000 and $27,500 was in keeping with the prevailing rate of interest charged to the corporation or the government by the sources from which they borrow their funds.

There is another matter on which I wish to congratulate the minister, and it concerns the efforts he has made to establish an interdepartmental committee to consider the whole question of farm credit. As I mentioned earlier, farm credit is not limited to the Farm Credit Corporation under the Farm Credit Act. We also have the Veterans Land Act, the farm improvement loans, various provisions under ARDA for advancing money, and in practically every province there are provincial lending agencies which do a great deal to help farmers. It is the understanding of the minister, who is very familiar with farm credit problems, that we should have a complete study in depth of the entire subject of farm credit, and I think he is to be highly commended for bringing about this interdepartmental committee, which will study the entire question in an attempt to co-ordinate, first of all at the federal level, the various agencies which have provided credit to farmers—and I have mentioned them already. At the same time the committee will try to tie in and co-ordinate our lending efforts at the federal level with the efforts of provincial agencies in each of the provinces.

It is most important that there is no conflict of interest as to where these loans are to apply. In order to bring that about it is very necessary that the federal and provincial agencies work closely together to ensure that money lent to farmers by way of farm credit be used to the best possible advantage. As I said at the beginning of my remarks, credit is most important to any development, and is essential to a farming operation. Good, sound, intelligent credit planning, with money properly applied, used and administered will do a great deal to improve and assist our farm operations.

By the same token, too much credit or credit not properly handled will be just as disastrous to our farmers. It is not a matter of giving a lot of credit; it is a matter of intelligent provision and administration of credit to see it is properly used and applied. I think that the minister's committee will do a great deal to see that this will prevail; and as I said before the committee will study the entire question of farm credit, both as provided at the national level and at the provincial level, including the agencies involved, so as to determine what should best be done in the way of providing farm credit to the farming population of Canada.

In order to effect certain changes in the operations of the Farm Credit Corporation it is necessary to bring in amendments to our legislation. In glancing over this act we find that about half these amendments relate to provisions in the act, the remainder being regulations over which changes can be effected by the governor in council. I should like to make three or four suggestions which could be given effect to merely by changing the regulation. These would not require changes in the act. I make these suggestions to the minister and to the corporation for their consideration as possible improvements to the regulations, which would assist the Farm Credit Corporation.

First of all, Mr. Speaker, I think that farm credit and the whole matter of credit as it applies to the farmer and to the farm is a matter of education. We have to educate our farmers by working more closely with them, helping them in a supervisory way and discussing with them their problems as related to farm credit. In my opinion the supervisory and field offices should have substantial increases in staff so that they could provide for the farmers the close supervision, discussion, analysis assistance, and advice which is so necessary in order that farmers may make the best possible use of the credit facilities available and direct their farming operations in the most economic way, so that they will achieve what the minister so often describes and what we all so much desire, a sound basic economic farm unit.

According to clause 8 of the act the corporation may employ such officers and employees as it deems necessary for the purpose

of this act and may fix their remuneration and terms of employment. In clause 11(d) it is also provided that the corporation may engage the services of appraisers, consultants, advisers and other persons, establish branches and so on. Therefore I think the act does give the corporation the authority and enables it to engage additional staff to assist them in supervising the very important matter of farm credit. I urge the minister to consider the suggestion that increases be made in the staffs at the offices of the Farm Credit Corporation in order to assist farmers to make intelligent use of the credit available to them.

I am in no way reflecting on the corporation in my next suggestion. There is enabling legislation in the sections to which I have just referred, and I would suggest that it might be most useful if something in the nature of an appeal board were set up. Many farmers feel they have not received satisfactory settlement of their applications. They feel that the corporation and its appraisers and officers do not dispose of their applications satisfactorily. I think that an independent appeal board composed of successful farmers who have a wide knowledge of farm operations and conditions in the particular area could serve a very useful purpose so far as the farmers are concerned, and also from the point of view of the officials of the Farm Credit Corporation. I am sure they feel that in many cases they have to make decisions of judgment and it is always very difficult to decide what should be given and what should be refused. In my opinion an appeal board of this nature would enable them to have their decision reviewed by an independent body which would be fair to their point of view and also to the opinions of the farmers involved. I insist that this does not cast any reflection on the excellent work which has been performed by officials of the Farm Credit Corporation, but I feel that such a board would assist them and would help to relieve the concern of many of our farmers that their applications for loans do not receive the disposition which they feel they should.

I should like to make a couple of other suggestions. I would think that the officials, appraisers and all the other people involved in determining whether or not a farmer should get a loan should make the broadest possible interpretation of the act and the regulations. I believe they should give the most liberal interpretation to the regulations so as to provide the maximum amount to the maximum number of farmers.

I believe that the corporation could be much more generous and much more lenient in their interpretation of the regulations if they had a more substantial amount of money with which to work, if there was some leeway, some volume of money provided as a buffer against losses which they may incur. I believe that the Farm Credit Corporation is a little too concerned about losses. I do not think they should be, because Canadian farmers have the best repayment record of any occupational group. The Farm Credit Corporation's losses have been extremely small and I think the corporation should be a little more lenient and generous in their interpretation of the regulations and in their disposition of the applications which they receive.

If we check the last statement of the Farm Credit Corporation we find that in the last fiscal year for which they have reported they had a loss of $1,080,000. I do not think the Farm Credit Corporation is different from any company, individual or organization. Nobody likes to show a loss. They would prefer to show a profit. In order for them to have the money to overcome these losses, which I am sure they do not like to report, I think that the funds made available to them by the government should be made available at a lower rate of interest. If they are going to lend money at 5 per cent I think funds should be made available to them at 4¼ or 4½ per cent. This would provide the corporation with sufficient leeway so that they could lend more generously to the farmers concerned.

Finally, I think this legislation is an excellent first step in the right direction. The minister has several other pieces of legislation to bring forward. I know that as time goes on he will probably be making improvements to this legislation as well. I commend him for his foresight and initiative in bringing this legislation before parliament, and I feel I can assure him that the farmers of Canada stand behind him 100 per cent.

[*Translation*]

Mr. Réal Caouette (Villeneuve): Mr. Speaker, in considering Bill No. C-100, one realizes that its purpose is to improve farming conditions and to help more adequately Canadian farmers, especially those in eastern Canada.

I heard the hon. member for Kings (Mr. Mullally) suggest more liberal credit facilities for all farmers. He pointed out that farmers

need sound and intelligent credit facilities and he asked the minister to take the necessary measures so that the legislation will allow the largest loans possible to be granted to the greatest possible number of farmers.

Mr. Speaker, it is not the first time that we hear government members or politicians discuss farming. We heard about it during election campaigns and today we hear about it in parliament.

The government admits, therefore, that farm credit has not been adequate in the past and it is now suggested in Bill No. C-100 to increase the amount of loans to farmers and even to grant loans to farmers wishing to set up members of their family on farms.

Not so long ago, I was told about a farmer of 47 or 48 who applied for a loan to the Farm Credit Corporation. His application was turned down precisely because he was over 45 years of age.

The bill under consideration does not state whether farmers will be able to secure loans regardless of their age. On the other hand we know that when a farmer is old enough to draw his pension, he no longer looks after his farm and will certainly not seek a farm loan.

When a man of 46 or 47 is refused a loan because he is over the age of 45, I feel that the officials of the Department of Agriculture should see to it that such things do not occur again in our country, and especially in our province.

Mr. Speaker, everybody admits that agriculture and farmers are in an intolerable plight. From all parts of Canada, and especially the eastern part where assistance to farmers has left much to be desired in the past compared to other areas, farmers are complaining about the way they are treated; other farmers are quitting the farm because they cannot earn their living there any more and, therefore, they are forced to go elsewhere and work in the factories or in the mines. And that is because both federal and provincial governments have not done their share to assist farming.

It is so true that the Quebec minister of agriculture stated not long ago that there are 34,000 surplus farms in the province of Quebec, 34,000 farmers who cannot make a living on their farm, 34,000 farmers who are, in other words, a problem for the provincial and federal department of agriculture.

Then, the suggestion is made to the wealthy farmer to buy the small farms of those who are unsuccessful and to hire those people to work on their present farm, according to a formula of the ARDA plan. Therefore, one farmer would be the owner and the others would become wage earners as it is done in Russia under the communist system where farms belong to the state and farmers become its employees.

We know now the monumental failure of the farm collectivization in Russia. The same thing will happen here, in Canada, where our ministers of agriculture seem intent in following that course, taking his farm from the small farmer instead of helping him to live on it. At the same time, economists in the Department of Agriculture, and even agronomists, are making plans for the farmers. Instead of giving these people the opportunity of establishing their own plan, an outside plan is forced upon them even if it does not meet at all their requirements. We tell the farmer how to organize his life instead of giving him the means to do as he sees fit.

Self-styled experts come to inform farmers, to order them around, to prescribe or suggest the planning of their farm or their production and the marketing of their products.

It seems to me it would be simple to help the farmers by giving them complete freedom to organize their farm as they see fit, and providing them at the same time with the means to do so without always driving them to extremities, as is done today in the province of Quebec and in eastern Canada.

Mr. Speaker, Bill No. C-100 can still help farmers temporarily. A great number of farmers who have obtained farm loans from the federal or the provincial governments are hard put to meet their obligations. Those farmers were obliged to ask for delays to make their payments at the federal level and they had all the trouble in the world getting those farm loans from the province of Quebec. There were cases in our regions and throughout Quebec where the federal Department of Agriculture did not even take the trouble of making an investigation or going into the field to see what was going on when a farmer asked for a federal farm loan. From the provincial farm credit board to the federal Farm Credit Corporation, back and forth, the farmer was sent from one to the other, each not knowing what to suggest and telling him; wait, wait and your case will be settled.

Farm credit has been in force for at least 25 years in Quebec and throughout Canada and yet agriculture today finds itself in the same hopeless situation that prevailed in 1932, 1933 and 1934. And, what are we

offered? A bill bearing No. C-100, and the assurance that something will be done to save the Canadian farmer.

How will that be done? By mortgaging his holdings for 25 or 30 years to come? The hon. member for Kings said a while ago that loans should be extended at a rate of 4½ and 5 per cent so as to allow the greatest number possible to take advantage of this rate of interest of 4 per cent—the bill suggests 5 per cent. Now, how much will this "sound and intelligent" credit cost the Department of Agriculture? Why ask a farmer who borrows $10,000 or $20,000 to repay $30,000 or $45,000? Why ask the farmer to sell one bag of potatoes for himself and one bag for financing at the same time? Why ask him to erect one building for himself and, at the same time, one for financing?

Why ask him to pay interest when the Minister of Agriculture knows very well that his department, should the government so decide, could use a "sound and intelligent" credit directly from the Bank of Canada with an interest rate no larger than the administrative cost, which would probably mean an interest of one quarter of 1 per cent. Then, we could say that we are assisting the Canadian farmer, which is not the case when we force him to repay three times the amount of the loan.

Mr. Speaker, when the Conservatives were in office, before the Liberals, they introduced bills in that direction. The Liberals follow in the footsteps of the Conservatives. Since confederation, we follow a beaten track and when some people suggest means to enable us to get out of that rut, immediately there is an uproar and they are ridiculed for offering a solution which would be much more in line with the present conditions of agriculture in the country, a real solution, and not a mere poultice on a wooden leg, like the ones offered by the government at the present time.

Mr. Speaker, the Minister of Agriculture states that we have 34,000 surplus farms in the province of Quebec. But it was those same farmers who, 30 years ago, were sent to new farmlands in Abitibi, Lake St. John or in Lotbinière county, for instance, because at that time, a back-to-the-farm movement was advocated and we voted $10 to $15 million a year to assist agriculture. That is the result, after 25 or 30 years of labour. Let us go and visit those pioneer regions, the farming communities of Abitibi, of Lake St. John or of Lotbinière, where, 25 years ago, we had 225 families and you only find 40, 50 or 60 of them today. Why? Because the farmer can no longer make a living on his farm.

Today, he will be able to remain on his farm if he is granted a loan sufficient for him to remain on his land, provided he is not forever struggling to make both ends meet, day after day, week after week, month after month, year after year.

There are surely some means to assist agriculture. In my opinion, the Minister of Agriculture could offer something other than this simple amendment to the Farm Credit Act of Canada. I should immediately ask the Minister of Agriculture, when he is authorized to borrow from the consolidated revenue fund up to $600 million instead of $400 million, not to grant loans only in western Canada but also in eastern Canada.

The Minister of Agriculture and the government have granted interest free loans to foreign countries, in order to enable them to buy Canadian production. The government have granted loans to agriculture in other countries, without interest, to help farmers in those other countries. We readily and enthusiastically agreed to give all the help we could afford to underdeveloped countries of the world, but we also have farmers in Canada whose farms are presently underdeveloped because there are no markets, because they cannot sell their products, or else, because they cannot get organized in order to improve their production.

Now, in the circumstances, the Minister of Agriculture and his department should cast their eyes in the direction of eastern Canada, where agriculture is quickly losing ground and is on the verge of collapsing.

This legislation makes millions of dollars available to Canadian farmers provided they are not obliged to pay three times the real value, because then it simply becomes inflation. If my hon. friend from St. Jean-Iberville-Napierville (Mr. Dupuis) wants to know what inflation is, let him just take a look at the outrageous interest which we are paying at all levels of government, here, with the Canadian people's money. To increase a debt, or to pay three times its value, that is inflation, because a $100,000 school will never be worth $300,000 nor will a $10,000 farm be worth $50,000 as is the case under our present financial system.

We are asking for concrete action and concrete results to assist the farmers of eastern Canada. Let us show more sympathy and more consideration for the eastern farmer. Not that we are against helping the western farmer, not in the least. On the contrary,

we supported the government's effort to put western agriculture back on its feet, to help farmers get out of the slump they were in, from 1929 to 1939. Well, today, our eastern farmers are in exactly the same situation. Let us come to their assistance.

I feel confident that the minister will give serious consideration to the requests we put before him, not only on this side of the house, but also on his side, because there are, on that side also, hon. members who represent agricultural and rural ridings in the province of Quebec, as well as in Ontario and the maritime provinces.

Heed should be paid to the requests submitted by those people who are not reaching for the moon, but who want a just and fair treatment. The Minister of Agriculture must accede to the requests of eastern farmers.

Hon. Théogène Ricard (St. Hyacinthe-Bagot): Mr. Speaker, Bill No. C-100 is so important to a large area of my riding that I could not let it pass without saying a few words.

First of all, I want to pay tribute to the personnel of the Department of Agriculture, and more particularly to that of the Farm Credit Corporation. I want also to tell them that I greatly appreciated their co-operation, because each time I had to work with them, they acceded with great readiness to my requests.

However, I must say that I never insisted to obtain things which were not logical. On the contrary, I have always attempted to put forward requests as just and equitable as possible.

I would like to take this opportunity to speak about the staff of the St. Hyacinthe office and state that since 1958, in particular, the business of the corporation has been so good that the staff had to be tripled, even quadrupled. Now, if the staff had to be increased, it is because business had increased.

I am happy to learn that it is proposed to add beekeeping and to extend farm credit facilities to this area of agriculture.

Beekeeping is an important part of agriculture.

Since the minister worked for a number of years on a farm where bees were kept, that is in an apple-growing district, I am sure he will be interested in helping out a large number of our farmers. Indeed, in several parts of the province, of the country even, people carry out that kind of operation and the equipment required to produce honey is often quite costly.

The minister is not without knowing that beekeepers suffer heavy losses at times. For instance, if their hives are struck by an epidemic, they face hardship when they cannot replace their equipment.

Therefore, as I said, I am very happy to see that beekeepers will now be able to take advantage of farm credit.

Mr. Speaker, since you represent a predominantly agricultural riding, you must share my opinion and that of many others here in the house who think that a special effort must be made to preserve and protect the family farm.

In the province of Quebec, as well as in Ontario, the family farm is a unit that must be protected at all costs. Even if the government were to do more for that small farm unit, I am sure he would get the support of all members of parliament.

In recent years, when the cost of machinery is ever increasing, the farmers, especially the small farmers, must necessarily be assisted. I for one will certainly not blame the government for the assistance it will grant this sector of the population.

Moreover, I urge the minister to do his utmost so that, if possible, greater assistance under various forms may be granted small farm industry.

Unfortunately, while considering Bill No. C-100 we have to admit that the purpose of the government is not primarily to help the small agricultural industry, the family farm, but rather big enterprise.

My hon. friend, the member for Rosthern (Mr. Nasserden) said that special attention should be given this problem.

I think it is proper to remind the minister that by extending credit, by making credit more readily available to large farming organizations we are not really helping the farmer; if we do not protect and help the small farmer, it is not by training him that he will be able later on to operate on a big scale. The small farm is the real place where the farmer can familiarize himself with the many complex problems of nature and farming. That is why I believe that instead of trying to help the larger farm corporations, often operated by people known as gentlemen farmers whose main revenues are not derived from farming, we should rather try to help the small farmer.

When a farmer applies to the corporation to obtain a loan, it often happens that he comes up against regulations which work to his disadvantage, and I think that the minister should see to it that more consideration

is given to the ability, the efficiency and the good will of those who wish to take up farming. Often well-meaning people would make excellent farmers, but they belong to large families and they do not have the necessary means to buy the smallest farm. In such cases, I think, that it would be advisable to consult the local authorities in order to inquire about the solvency and especially the desire of the young man to meet his obligations.

I would also like to recommend to the minister to make clear what the rate of interest would be. It is a known fact that farm loans are already available in the province of Quebec at a rate of interest of only 2½ per cent. This is surely a great help to farmers and the very small losses suffered by the provincial farm loan board prove beyond doubt that the person who established that agency in the province of Quebec and who was so strongly criticized by my hon. friends opposite, namely the late Maurice Duplessis, rendered great services not only to the farmers but also to the province in providing the required credit facilities to this segment of the population.

I would like the minister to consider the possibility of reducing if possible or at least of restricting to 5 per cent the interest rate on farm loans.

I should also like to ask the minister whether it would not be possible for the borrower to select his own notary instead of dealing with a notary who is designated to him by the corporation.

It is a well-known fact that among French Canadian families, businesses are transferred from fathers to sons at a particular notary office. It has become a custom among our people to do their transactions at the same office in order to facilitate research and also to eliminate expenses which can sometimes be burdensome, if a notary other than the one who is used to look after the business of the family is appointed to do the necessary work when a young farmer makes an application for a loan from the Canadian Farm Credit Corporation.

Once more, I heard tonight the hon. member for Kings pay tribute to the present Minister of Agriculture and praise the farm policy of the Liberal party. I would not like to seem unpleasant at all toward my friend, the Minister of Agriculture, but the flattering words which were uttered about him by my colleague from Kings compel me to set the record straight because according to the hon.

[Mr. Ricard.]

member, we would be ready to confer sainthood on the Minister of Agriculture.

However, I would like to put on the record an appraisal of the Minister of Agriculture made by the editor of *La Terre de Chez Nous*, the mouth-piece of farmers—if I may say so—in the issue of May 27, 1964, through Mr. Paul Henri Lavoie. Here is what Mr. Lavoie thinks of the present Minister of Agriculture, and I quote:

> Mr. Harry Hays does not have to deal so much with the problem of agriculture in his area, namely that of western Canada, because there is none or practically none. Especially when we consider the great sales of wheat made in the recent months and the prospects for the coming year.

What strikes me particularly is the following sentence:

> We are under the impression that he does not know anything about eastern agriculture and that he is not at all not interested therein. Yet, he is the one who makes decisions and this is already very serious.

That is quite another story that I deemed it my duty to recall so as to show both sides of the question. The hon. member for Kings also mentioned all the blessings bestowed by his party ever since it came to power. However, I should like to point out that since the minister has taken over the agriculture portfolio, the income of farmers in the province of Quebec has decreased.

The first step was to abolish the 25 cent per cwt. subsidy on milk, which resulted in a saving—according to the minister's own figures—of about $11 million.

Now, Mr. Speaker, if this new measure, made possible a saving of $11 million, a sum which was previously paid to farmers, well, I wonder if it is not from the farmers' pockets that this amount was extracted. If the hon. member for Kings considers this has been a blessing for the farmers, he has a peculiar idea of the interest we should show them.

I would also like to remind the hon. member for Kings, as well as the other members, and especially those of the province of Quebec, that in the programs presented during the election campaigns of 1962-63, the Liberal party had promised a minister of agriculture for eastern Canada. Where is this minister of agriculture for eastern Canada? Is this not another promise which was broken by the federal Liberal party? I urge those members to exert pressure in order to secure such an appointment, because during the campaign in our Quebec areas the appointment of a minister of agriculture for eastern Canada was promised.

I see my good friend, the hon. member for Argenteuil-Deux-Montagnes (Mr. Drouin) who was shouting himself hoarse at the time promising everything to the right and to the left, roaming through the various ridings and acting up behind the micro and on the television screen—

Mr. Drouin: Mr. Speaker, may I point out to the hon. member for St. Hyacinthe-Bagot that if he sat down, he would become minister of agriculture for the east sooner.

Mr. Ricard: Mr. Speaker, if I understood him rightly, the hon. member said that if I tried, we would probably have one sooner.

Mr. Paul: He said: "If you sat down".

Mr. Ricard: Mr. Speaker, I am certain that if a Conservative government made such a promise, it would be kept to the last dot.

Mr. Speaker, the hon. member for Kings also whined and said that we did not do enough when we were in power, i.e. from 1958 to 1963.

Mr. Speaker, it must be admitted that it was impossible to remedy, within a period of six years, the negligence of the Liberal party which had been in office for 22 years and held the eastern as well as the western farmers, at its mercy.

Indeed, Mr. Speaker, it is a well-known fact that, when we assumed office, there was a wheat surplus for which we were not responsible. Yet, we tackled the problem under the leadership of the hon. member for Qu'Appelle (Mr. Hamilton) who proved his great ability as a salesman and a farmer, and we also succeeded in eliminating this wheat surplus, which was a very welcome action.

Mr. Speaker, since you were in the house at that time, you are no doubt aware that when the hon. member for Qu'Appelle introduced the so-called ARDA in the house, all the members of the Conservative party, including the hon. member for Qu'Appelle, were laughed at by the Liberal party. However, today, the Liberal members, having as their special ambassador the hon. member for Îles-des-la-Madeleine (Mr. Sauvé), whom I congratulate for his work, travel throughout the country praising the merits and advantages of ARDA, saying that the future of agriculture rests on it.

We now hear a different tune, and it would have been so easy then for the hon. member for Bonaventure (Mr. Béchard) to sing the praise of ARDA instead of running it down as he did at the time. In fact, if he and his colleagues of the province of Quebec had simply agreed to give the Conservative government a chance, if they had brought pressure to bear on the members of other governments, such as the Lesage government, for instance, to assume half of the responsibilities and co-operate with the planning in that direction, we would certainly have seen right away the results and the benefits of ARDA.

But in that field as in the others, Mr. Speaker, you cannot separate the Liberals. They always use the same tactics. They only have one objective and it is to get into office. And once they are in they have to burn what they worshipped and worship what they burned.

For the information of the hon. member for Kings and for other government members who might be inclined to think that the Conservative party did nothing for the farming class when it was in power, I would suggest that they refer to page 19 of the pamphlet published by the Farm Credit Corporation and to compare the loans made during the 22 years of Liberal regime with those made during the six years when the Conservative party was in power. They will notice that during the six years of our administration, we accommodated about the same number of farmers as the Liberals did in 22 years.

As a matter of fact, they granted loans to some 35,000 farmers, while during six years of Conservative administration—and I add the figures rapidly—34,854 farmers received loans from the Farm Credit Corporation. Under the Liberal regime, the money made available to the farmers amounted to some $112 million, while it went up to over $283 million during the six years of Conservative administration.

But those statistics do not keep government members from repeating, every time they can, that nothing was done by the Conservative party for the farming class.

I also wish to make a comparison between what was done under both governments in my riding. Before 1958, only six loans were granted by the Farm Credit Corporation, for a total amount of $37,400. On the other hand, for the years 1958 to 1963-64 inclusive, 114 loans were granted to farmers in my riding, for a total amount of $1,823,500.

Those are figures and comparisons which will certainly cause some meditation among government members of good faith. I know that there are some and I see my hon. friend from Champlain (Mr. Matte), for instance, as well as my good friend from Chambly-Rouville (Mr. Pilon) and many others whom

I would not like to forget, but I cannot name them for lack of time. I know that the figures I just quoted will convince them that they should stop criticizing when they speak of the Conservative government. I suggest that they should face the facts, which will enable them to see that the Conservative government did a lot for the farming class. Moreover, I suggest to the Minister of Agriculture to do only half that much, and he will have done a lot for farmers during his term of office, because if we believe what farmers say, he will not be there very long.

[*Text*]

Mr. D. M. Fisher (Port Arthur): Mr. Speaker, it would be unnatural for me to take too much time, when I do not come from a primarily agricultural constituency and I see such proponents of the sturdy rural yeomen as the hon. member for Essex South (Mr. Whelan) and the hon. member for Northumberland (Miss Jewett) waiting to speak. The minister has been congratulated on all sides; the hon. member for Kootenay West (Mr. Herridge) congratulated him for extending socialism; the Conservatives have been congratulating him for pushing on with the legislation they are so proud of; the congratulations that have been flowing from his own benches have been pretty hard to identify, other than I suppose you would just say they are part of the great man syndrome. I have been trying to think of some way in which I could congratulate him, and the only thing I could come up with was not very relevant to this bill. This is the question of flying around the country with a bunch of M.P.'s. I think it is very good for any minister of the crown to accept such a responsibility in view of the general stigma that attaches to M.P.'s these days, and I think the minister is very brave, if not for bringing in this bill, at least for suggesting he is prepared to go and stump the brushes and brakes of Canada with a group of M.P.'s. This is a real contribution he has put into the raising of the parliamentary prestige.

The only point I wanted to make, Mr. Speaker, is something that I cannot really see very clearly from the introduction the minister made when he indicated that this legislation was just a part of a much larger farm credit story that is being approached by an interdepartmental committee, and he mentioned ARDA. I happen to live in a region where there are very few farms of substance, except those that have some relationship to a pulpwood cutting operation. The plain fact of the matter is that the ARDA program which the minister threw in as providing some means of credit facilities is just not functioning in most of the country, and where it does function it always seems to be within a municipality or a regional framework that really does not open up the opportunities that this act does for an individual farmer, for example, who wants to acquire more forestry land or wants to turn some of his forestry land, by some fairly substantial expenditures, into a genuine tree farm with some prospects of developing a rotation pattern, and so on.

I would like to ask the minister why the definition that is contained in the act is not a bit more expansive, and whether he could give any indication of whether this act could be expanded just a little bit more broadly in its terms so that in those areas where farming shades into forestry, such as the area I happen to represent, there could be a greater opportunity to get credit.

I raise this point because there are many cases in my area of men getting most of their cash income from pulpwood cutting, either off their own property or from other contracts on crown lands, and they have not been able to get loans very easily under the act, partly because the equity they hold in value terms in their partly cleared forest holdings is too low. Since the ARDA program is still not extended in a national way to provide assistance to them, they have had substantial difficulties in getting the funds they require to enable them to branch out and extend this kind of odd mixed farming.

I gather from some of the remarks made by certain hon. members from Quebec that the problem in their province is not dissimilar to mine. Here again you have fringe or hinterland agriculture which badly needs credit. Yet in this legislation before us there does not seem to be any specific direction to the legislation, particularly in the definition given in the act; and I will not abuse your chairmanship, Mr. Speaker, by reading it. However, it is obvious that the definition of farming which obtains in this act is not the broad one which would include tree farming, or what we call pulpwood farming. Yet that is the real substance of agriculture in our area.

I want to put to the minister one of the reasons why I think an easier approach is necessary here. A great deal of the forested land in the region I represent not held by the crown is being bought up by successful men in the main, particularly doctors, dentists, and small entrepreneurs who have been successful.

Mr. Nesbitt: School teachers, too?

Mr. Fisher: Yes, and school teachers, too, now that their salaries are going up. The reason these people are doing this is so they can take advantage of such investment by way of a tax loss for a time so as to enable them to have better control over the taxation of their income. These people, once they build up holdings of a certain size, and because of their stature in the community, have little difficulty in getting credit. If they want to branch out into tree farming or the Christmas tree trade they are in a financial position to do so. But so often the man who starts with the small holding and a truck, and spends half his time in the winter hauling and half cutting, maybe on his own property and maybe not, and a little clearing and vegetable and root farming in the summer, is not in this enviable position. The point I am making is that the act as it exists at the present time is being enriched, if you want, for the more successful farmers and bigger operators, but is inadequate for the hinterland or shaded area of agriculture carried on in the region I represent.

Since I entered this house in 1957 I have noticed repeatedly in every farm debate we have had hon. members from farming areas getting up and pleading that we save the family farm. In my part of the country I think the family farm idea was given up long ago. I have rarely met a kid who wants to stay on a farm; he prefers to scrabble off to a bush camp, to school or to the boats, or to any place but the farm, mostly because the rewards have not been particularly great. I have a general impression that the family farm in this country is a passing thing. I am not sure, but certainly in many ways it is past in our area as the kind of subsistence enterprise which we traditionally think of.

However, there are a great many working men of relatively low income who move out, get a bit of bushland with some gardening on it, and they begin to develop a livelihood along this line. These men are obviously not the kind of farmer about which most members of parliament from the prairies talk. But the land they are using could be turned into something more valuable and is every bit as important; and it fits right into a market which is a sure and a rich one, namely the pulpwood market. For that reason I would appreciate a few comments from the minister on this aspect of the act and as to why it would not be possible to write into the act itself some more generous provisions for the use of loans for bushland and pulpwood purposes.

Mr. R. R. Southam (Moose Mountain): Mr. Speaker, I appreciate the privilege of making a few comments on Bill No. C-100, to amend the Farm Credit Act. In making these comments I should first like to congratulate the officials of the Farm Credit Corporation, some of whom I have become personally acquainted with over the past five or six years, for the effective and efficient way they are carrying out their duties respecting the application of the act. I have noticed statistics given by previous speakers with regard to the total number of loans processed under the act in the last five or six years. I think the figure quoted was approximately 38,500 loans, and this represents a good deal of work. Personally I became acquainted with Mr. Duncan, director of the Farm Credit Corporation in the province of Saskatchewan, several years ago. There were two of his advisers in the province, one at Carlisle, Saskatchewan and one at Estevan. In becoming acquainted with their work I came to appreciate the wonderful job they were doing.

I am sorry that I cannot join with my colleagues in complimenting the Minister of Agriculture for introducing these amendments. I appreciate the fact that he has done so, but many farmers are heaving a sigh of relief and saying that at long last the minister has finally brought to the house a piece of legislation in the interests of all farmers. The old saying that hope springs eternal is predominant in their minds, and they look forward to the fact that possibly he will introduce further legislation in this house which will be in the interests of agricultural industry of Canada.

With respect to the amendments, I should like to say that I express some doubt as to the benefits which are going to be derived from such a large increase in the loans. I think it is reasonable to suggest that in the course of five years, with our experience of the act, the amount of the loans should be increased some, but I do not see the logic to the argument that they should be doubled —increasing them from $20,000 to $40,000 and from $27,500 to $55,000. This to my mind might encourage vertical integration, a process which the argicultural industry has not been too happy about. It is also an encouragement to corporation farming.

Another point we should touch on, I think, is that this would have the tendency to create an incentive for an accelerated increase in land values. As our economy

strengthens and time goes by I can readily understand that land values will increase; but the doubling of these loans in one fell swoop I feel is an encouragement to people who have land to sell it. This is particularly the case if a farmer wants to retire; the tendency is to take full advantage of this increase and inflate the value of the land. If we had been more modest in increasing these loans I think it would have been more beneficial.

With regard to the comments of the hon. member for Port Arthur (Mr. Fisher), I think that more consideration should be given to benefiting the smaller farmers, those with not too much collateral who would like to come under the act.

Young men who have grown up on the farm, are fully conversant with farming and would like to go into the business of farming find that this act does not provide them with too many benefits. Here is an area to which we in the house who are interested in agriculture, the members of the committee on agriculture and the minister himself should give consideration, so far as the application of the act is concerned.

There is another thing I am concerned about which was mentioned by the hon. member for St. Hyacinthe-Bagot (Mr. Ricard). I refer to interest rates. The minister did not spell out what the interest rate would be when he introduced the bill, but he said there would be an increase in the interest rate on loans between $20,000 and $27,500. He suggested that the increase would be related to the increase in administrative costs which he said would be close to 1 per cent, and that there might be a further slight increase to cover the reserve and so on. To my mind this indicates an increase up to 7 per cent.

I cannot understand how the government can introduce legislation like this which would make flesh of one and fowl of another, and I think this is what will happen. In fact, I believe this is contrary to the laws of economics. My experience in money matters leads me to say that if you buy in volume you usually receive a discount rather than an increase in the cost. Actually the farmer is purchasing something here when he takes a loan. He is purchasing credit. I think the minister has his philosophy in reverse. Another thing I have been concerned about has to do with the remarks the minister made on May 7 last when we were studying the estimates of the Department of Agriculture in committee of supply. As found on page 3025 of *Hansard* the minister said:

[Mr. Southam.]

We have tried, and I know the former government did also, to cut down the time it takes to service a loan so far as the farmers are concerned. After all, they are of No. 1 importance.

I could not agree more with that statement.

My instructions to Mr. Owen, the manager of the corporation, have always been that we want to cut down this time. Last year we were able to cut it down substantially. This year the members of the corporation are charged with the responsibility of cutting it down further—ten days—regardless of what lawyers are handling the loans.

The minister went on to say:

If the lawyers do not service them immediately and they have not got a real good excuse, then they are to be replaced. Everyone who has been appointed as a lawyer handling Farm Credit Corporation loans has been instructed to do the work quickly.

And so on. I think this is purely window dressing, Mr. Speaker, because I have here question No. 451 asked by the hon. member for Provencher (Mr. Jorgenson) under date of March 16, and the answer thereto tabled in the house on April 29, 1964. The answer gives the number of legal advisers of the Farm Credit Corporation. In looking over the figures I see that there has been a decrease of approximately 40 per cent in the number of legal advisers under the Farm Credit Corporation. In fact in the province of Saskatchewan the number was reduced from about 30 to 17.

I cannot understand how the minister's philosophy operates. It is rather like hitching a team of horses to a wagon with 125 bags of wheat and expecting them to pull the load, which they could not, and then unhitching one horse and expecting the other horse to pull the load anyway. It does not make sense. The applications made by farmers have to go to the legal advisers for processing. The hon. member for Mackenzie (Mr. Korchinski) pointed out this afternoon that the demand for loans has been rising gradually from a level of about 5,000 to approximately 8,000 last year. If this is the case, it stands to reason that we should be increasing the number of legal advisers or else the farmers are going to have to wait a long time to have their applications for loans processed. The fees are not too high for handling these applications, and I have found from experience that some lawyers have a tendency to leave these applications on the bottom of their work pile and to process other work that is more lucrative.

There is another problem that arises also. When you reduce the number of legal advisers it means that the farmer has to drive

that much farther to get in touch with the lawyer if the lawyer is a little tardy in the processing of the application. The farmer is hesitant about having to drive another 100 or 150 miles to see the lawyer with the result that he waits patiently and the whole process is being slowed down under this system. Rather than all the window dressing that the minister engaged in on May 7 with regard to legal advisers under the Farm Credit Corporation, I suggest that he should at least maintain the same number of advisers as we did when we were in office and thus help to get these loan applications processed quickly. These are all the comments I wish to make tonight, Mr. Speaker. I look forward to the minister answering some of these suggestions when he replies.

Mr. J. N. Ormiston (Melville): Mr. Speaker, much of the ground with regard to farm credit has been covered by previous speakers. I should like to congratulate particularly the hon. member for Mackenzie (Mr. Korchinski) who put forward some of the points about which we are somewhat worried. I am sure the minister will take them into consideration.

With one or two exceptions, most of the speakers have dealt more or less with generalities. For a few minutes, Mr. Speaker, I should like to deal with a specific problem. In listening to the minister the other evening I was very pleased to hear him say that he was interested in the co-ordination of a study of the requirements of agriculture so far as farm credit is concerned. There is one point I should like to make in order that he may be able to give it some consideration. In making farm credit available I wonder whether the minister and his officials have given any consideration to the needs of those farmers who are faced with considerable expenditure because of anticipated costs pertaining to land improvement where irrigation is concerned. I am sure the minister is quite aware of this situation, not only in his province but in other provinces as well.

The cost of improving land for irrigation is considerable. There is a growing need for water conservation and the most practical and economic use of our water resources, and a considerable amount of land adjacent to our dams and reservoirs can be made suitable for irrigation purposes, but at considerable cost. The credit needed for this type of improvement is not readily available at the present time and it may be that the Farm Credit Corporation can be of considerable service in this regard. I put this forward to the minister for his consideration in the hope that he will give it the kind of consideration it deserves.

May I call it ten o'clock.

Mr. MacNaught: Mr. Speaker, I wonder whether we could continue for a few minutes to see if it would be possible to finish the debate on second reading of the bill tonight. There seems to be a general desire on the part of all hon. members to finish the debate on second reading. I understand that one of the matters that was to be debated after ten o'clock has been dropped, so that will shorten the debate then by ten minutes. If we could continue for another 15 minutes we might be able to give the bill second reading.

Mr. Churchill: If we are prepared to give second reading immediately, is it the intention to go into committee of the whole house on the bill tomorrow?

Mr. MacNaught: That is the intention.

Mr. Churchill: Then those members who had intended to speak on second reading could perhaps make their general speeches on the first clause of the bill.

Mr. Deputy Speaker: Is this agreed?

Some hon. Members: Agreed.

Motion agreed to and bill read the second time.

BUSINESS OF THE HOUSE

Mr. Churchill: I should like to ask the acting house leader what the business of the house will be. In particular, would he inform us concerning the main estimates? May I just say here that we have had six days on the main estimates, and I estimate from experience in other sessions that we will need another 40 full days on the main estimates to cover the 20 departments that are ahead of us. Are we likely to have main estimates on Thursday and Friday in each successive week?

Mr. MacNaught: Mr. Speaker, so far as the main estimates are concerned, they will not be considered this week. In yesterday's *Votes and Proceedings*, there is a government notice of motion in the name of the Minister of Transport to refer the annual report for 1963 of Canadian National Railways, the auditor's report and the budget for 1964 to the standing committee on railways canals and telegraph lines. This motion will be the

first order of business tomorrow. I understand that this motion will pass without any debate.

Next, we will resume the committee stage of the bill to amend the Farm Credit Act, and when that is concluded we will take second reading of Bill No. S-26, an act respecting the commission to establish and administer Roosevelt Compobello international park. When this is concluded, we will take the second reading of an act to amend the Export Credits Insurance Act. If any time is left over we will consider Bill No. S-10, which was passed in the Senate, to provide for the establishment of harbour commissioners.

Mr. Churchill: Is that for Wednesday and Thursday?

Mr. MacNaught: Wednesday.

Mr. Churchill: There is still uncertainty about Thursday, then?

PROCEEDINGS ON ADJOURNMENT MOTION

(Subject matter of questions debated under adjournment motion.)

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

INCOME TAX—HOSPITALIZATION PLAN PAYMENTS BY EMPLOYERS TREATED AS INCOME

Mr. Stanley Knowles (Winnipeg North Centre): On Monday, June 1, Mr. Speaker, as recorded at page 3793 of *Hansard,* I asked this question on the orders of the day:

> Mr. Speaker, may I direct a question to the Minister of National Revenue? My question is based on information that came to light over the week end. Is it true that the government is now treating payments made by employers to government hospitalization plans as taxable income in the hands of the employee, even though this is not being done with respect to payments made by employers to private hospitalization or medical plans?

Mr. Speaker thought that there was not sufficient urgency in the question for it to be dealt with on orders of the day so I gave notice that I should like to ask it in one of these adjournment periods. I am in the position at the moment of not knowing what the minister's answer to my question is, as to whether or not this change has been made. But in view of the reports that suggest that this sort of taxation is to be applied, perhaps I had better use the minutes that are at my disposal to state my reasons for suggesting this is a change that should not be made.

[Mr. MacNaught.]

First of all, Mr. Speaker, may I point out that it has been the policy of successive governments to extend the exempting of payments for social security benefits so far as income tax is concerned. These exemptions, particularly with regard to payments made by employers, are spelled out in section 5, subsection (1), paragraph (a) of the Income Tax Act. I find on doing a little research that that paragraph has been amended several times and each time the list of exemptions from income tax has been extended. As I read the paragraph at the present time all the benefits that an employee may derive from his employer's contributions to social security plans of one kind or another are exempt from taxation. Now, however, we are led to believe that payments made by employers for hospitalization plans in a province where payments are made by taxation are to be made subject to federal income tax.

This means, as I understand it, that employees whose hospitalization is paid for them by their employers in Saskatchewan, Manitoba, Ontario and Prince Edward Island will have these amounts added to their income, and hence the result will be an increase for their income tax, starting for the year 1964.

Quickly and briefly, Mr. Speaker, there are four points I want to make. First, this is a reversal of the trend in which successive governments have moved. I have indicated that by referring to the amendments which have been made to section 5(1)(a) of the Income Tax Act. I think this reversal would be a retrograde step.

The second point I want to make is that if employees are going to have to pay income tax on what their employers pay for them into government hospital plans, but are not required to pay it on what their employers pay into private hospital plans, the government immediately sets up a discrimination between these two kinds of plans. I suggest that kind of discrimination is most unfair and that it will lead from one inequity to another.

The third thing I want to say is that this proposal, if it is being carried out, will establish unfairness as between provinces. It seems to me to be manifestly unfair that employees in the four provinces I have named will have to pay income tax on what their employers pay for them by way of hospitalization benefits, whereas the employees in other provinces will not have to do so.

There are national employers in this country who have employees in all ten provinces, and there are cases where employers treat their employees alike in all ten provinces, yet

in four of the provinces those employees will have to pay extra income tax on what is paid for them by their employers. I think that is manifestly unfair.

Fourth, the government has been telling us, ever since the royal commission on taxation was set up, each time we ask for any concession or any reduction in taxes, to wait until the whole question of taxation is reviewed. I suggest to the government that it listen to its own slogan. It is quite unfair to tell us we must wait, as I have been told, for full exemption with regard to trade union dues until the whole question of taxation policy has been reviewed, while the government lets its own department make a change in a ruling of this kind.

I hope, Mr. Speaker, that the whole of this speech I have made is unnecessary. I hope the reports that this kind of ruling has been made by the Department of National Revenue are false. If they are, I will welcome and applaud such a statement by the minister. On the other hand, if the reports are correct I hope the minister will assure us that the proposed change will be cancelled just as soon as it can possibly be done.

Hon. G. J. McIlraith (Acting Minister of National Revenue): Mr. Speaker, first of all I should like to thank the hon. member for not pressing his question forward for discussion early last week when he might well have done so, and I am very appreciative of his courtesy in that. I have not overlooked it or forgotten it.

The simple answer to the question as posed by the hon. member is no. However that answer is perhaps in itself not wholly accurate because the question, as worded, is rather complicated and has a lot of material in it that does not deal specifically with some of the points he raised in debate. There has been no change in the taxation policy or law on this point.

Because of the abbreviated time available, perhaps I had better start my explanation of what the situation is by reading section 5 of the Income Tax Act. It reads:

(1) Income for a taxation year from an office or employment is the salary, wages and other remuneration, including gratuities, received by the taxpayer in the year plus

(a) the value of board, lodging and other benefits of any kind whatsoever (except the benefit he derives from his employer's contributions to or under a registered pension fund or plan, group sickness or accident insurance plan, medical services plan, supplementary unemployment benefit plan, deferred profit sharing plan or group term life insurance policy) received or enjoyed by him in the year in respect of, in the course of, or by virtue of the office of employment—

And so on. The point I am making here is that the benefits, the premiums paid by the employees, if made on their behalf by the employers, have always been deemed to be part of income and therefore taxable. Some large employers in Ontario—and I think this is where the misunderstanding which is causing the hon. gentleman concern arose—have not been setting this out as part of the wages of their employees. This position was not discovered until very recently, and it was upon the discovery of this practice, which I may say is contrary to the law, that steps were taken to which the hon. member refers.

There has been no change in the law and there is no discretion vested in the minister in this regard. It was, as I say, the discovery of this practice which led to the misunderstanding which has taken place—

Mr. Deputy Speaker: Order.

Mr. Knowles: So the answer is yes, not no.

Mr. McIlraith: No.

LABOUR RELATIONS—BRITISH COLUMBIA—FREEDOM OF WORKERS TO JOIN UNION OF CHOICE

Mr. T. S. Barnett (Comox-Alberni): On June 4 I addressed a question to the Minister of Labour on the orders of the day as follows:

In view of the fact that MacMillan, Bloedel and Powell River Limited, the largest industrial concern in the province of British Columbia, is currently trampling upon the principles of the I.L.O. convention respecting the right of workers freely to enjoy the protection of the union of their choice, will the minister use his good offices with Mr. J. V. Clyne, the head of that company, to alter the course of action presently being pursued by his company?

Mr. Byrne: Would the hon. member give the number of the I.L.O. convention, please?

Mr. Barnett: I will make reference to that in the course of my remarks.

It was suggested that this was a matter for the order paper. However, I felt the situation was an urgent one, and in any event it can perhaps more properly be explained and dealt with under this order. My question arises out of the fact that local 15 of the office employees international union is currently engaged in a legal strike against MacMillan, Bloedel and Powell River Limited. The fact that some 60 workers had established picket lines had resulted in the complete closure of all the major industrial plants in the Alberni valley. This situation

is now in its third week which means that over 3,000 workers in the valley are without employment. There were initially various issues between the union and the employers, some of them having to do with wages and working conditions, but at the present time the only obstacle to a settlement of this situation, which would enable not only these office workers to conclude an agreement and go to work but which would also enable the members of several other unions to return to employment, is the refusal of the company to agree to any form of union security clause in the settlement.

A union statement indicates they are asking for a union security clause similar to that which now exists in every other agreement their union has in British Columbia. It is also similar to the security clauses in existence in the agreements with other unions —the papermakers, the electrical workers, the international woodworkers of America, and so on.

I feel this is a situation which should not be allowed to continue, if any effort can properly be made to bring it to an end. I have raised this matter because in the field of the International Labour Organization—and I have here volume two of the international labour code, 1951—the matter is expressly dealt with. On page 29 are set out some statements in this connection dating from 1947. I want to point out that the declaration of Philadelphia recognizes the solemn obligation of the International Labour Organization to further among the nations of the world programs which will achieve, among other things, the effective recognition of the right of collective bargaining and that the resolution that was adopted provides for the exercise of the right of freedom of association without fear of intimidation, coercion or restraint from any source. That resolution later became a convention and has been approved by the United Nations.

I should point out that the jurisdiction of the federal Minister of Labour is directly involved in this question, because among those who are now suffering loss of employment are a good many members of the longshoremen's union on the west coast, which of course comes under federal labour jurisdiction. But even apart from that, in view of the fact that the minister of labour and the deputy minister of labour of British Columbia have more or less publicly stated that they are throwing up their hands, that there is nothing more they can do, I feel it is a situation where the good offices of the federal Minister of Labour might be of some value in bringing this situation to an end.

The last report I have on the situation, which I received this evening, is that at the moment no negotiations are going on and that the only point at issue is the recognition of a minimum security clause, which I think all of us who have any experience in trade union dealings recognize is basic to the protection of the right of free association and free organization. I freely confess that as far as I am concerned I do not think I am in a position personally to use any good offices with Mr. J. V. Clyne, because I have stated on several occasions that I find he acts as an autocratic ruler of a baronial empire, the largest one in British Columbia, and at times appears to me to regard himself as being in a higher position of authority than the government of that province. Indeed, the admission by the provincial minister that he is powerless to cope with this situation I think suggests that the only resort left is for the federal Minister of Labour, with the prestige and backing of Canada's support for the principle involved in the International Labour Organization conventions, to come into the picture and perhaps persuade this gentleman that he should sit down and at least grant to these workers the same rights as have already been won over the years by the other workers in the plant involved, and in the other plants in the Alberni valley.

Mr. J. A. Byrne (Parliamentary Secretary to Minister of Labour): Mr. Speaker, the federal government, and more specifically the Minister of Labour (Mr. MacEachen), are very deeply concerned that such a large number of people on the west coast are affected by this strike. On the other hand, as the hon. member has himself indicated, it is a matter for the department of labour of the province of British Columbia. Mr. Sands has been endeavouring to bring the two opposing parties together. It may be that he had admitted he is unable to make any progress. Still, Mr. Speaker, this does not provide a vehicle by which the federal Department of Labour can impose their jurisdiction upon those people in British Columbia who come under the jurisdiction of the provincial authority. It is regrettable too that there are employees involved who normally come under the jurisdiction of the Department of Labour, such as seamen and fishermen. However, they are not directly concerned with the labour dispute.

There is little more that can be said. It is the opinion of the Department of Labour that no conventions of the I.L.O. are being violated in this instance. This is a legitimate legal strike and it is a matter of one group effecting economic pressure upon another in order to reach a settlement. There is unquestionably quite a wide difference of opinion on the question of union security or the closed shop, as seemed to be indicated in the first request. However, that does not in any way permit the federal government to move into this jurisdiction. Certainly we would wish to express our desire that a settlement be reached, but I am sure it would be considered a violation of provincial rights to interfere at this time.

Motion agreed to and the house adjourned at 10.24 p.m.

HOUSE OF COMMONS

Wednesday, June 10, 1964

The house met at 2.30 p.m.

HOUSE OF COMMONS

PRESENCE IN GALLERY OF CHANCELLOR AND FOREIGN MINISTER OF GERMANY

Mr. Speaker: The house is especially honoured today by the presence in the gallery of two very distinguished visitors. On behalf of all hon. members it gives me great pleasure to welcome the distinguished chancellor of the Federal Republic of Germany, Dr. Ludwig Erhard, and his foreign minister Dr. Gerhard Schroeder.

In times past Dr. Erhard has visited Ottawa more than once as his country's minister of economics, the position from which he directed with such energy and skill the remarkable economic recovery of post-war Germany. This, however, is our first opportunity to receive him as chancellor of Germany.

In recalling the spectacular economic recovery of post-war Germany with which the chancellor is so closely associated we should not overlook another important development which is too little known and acknowledged; the establishment of a modern and stable parliamentary democracy in the federal republic. Our visitors have played a central role in the emergence of a new Germany and the establishment of a democratic society based on the dignity of the individual and the rule of law.

In this process the new German parliamentary institutions have played a most important role. Indeed, within the past few weeks we have had the pleasure of welcoming a group of German parliamentarians with whom we were able to have a most profitable exchange of views, and during the course of the next few days our own former Speaker, the hon. member for Edmonton West (Mr. Lambert), will be paying a personal visit to the Bundestag in Bonn.

Conscious of our common heritage and purpose, we are deeply honoured today to receive the German chancellor and foreign minister and to extend to them a warm "herzlich willkommen."

Hon. Members: Hear, hear.

PRIVILEGE

STATEMENT BY MR. SPEAKER ON QUESTION OF MEMBER FOR YUKON

Mr. Speaker: If hon. members will bear with me I would like to make a statement on a question of privilege raised last Friday by the hon. member for Yukon (Mr. Nielsen). On Friday last the hon. member for Yukon rose on a question of privilege having to do with certain rulings of the Chair the previous day. The hon. member referred me to Beauchesne's fourth edition, page 57, where is found the following citation:

> The Speaker's jurisdiction does not extend to words outside the house.

The hon. member then added:

> There is a reference there to May's Parliamentary Practice, thirteenth edition.

I might perhaps now allude to this reference, which will explain the quotation from Beauchesne:

> In case of disorder the jurisdiction of the house is also extended to the lobbies. On the 11th April, 1877, on the numbers being declared after a division, complaint was made to the house by Mr. Sullivan of an offensive expression addressed to him by Dr. Kenealy in the side lobby during the division just taken. Mr. Speaker observed that, had the expression complained of been used in the house it would have been his duty to deal with the matter on his own authority; but, as the complaint referred to words used in the lobby, he left it to the consideration of the house and called upon Dr. Kenealy to explain his conduct.

In May's sixteenth edition at page 133, which I read to the house on Thursday, I find the following:

> Alleged breaches of privileges or contempts committed out of the house or in the precincts of the house but not in its actual view may be brought to the notice of the house.

We may from the beginning draw two conclusions from these statements. The first is that contempts committed outside the house may be dealt with in the house itself, and I will refer to the existing precedents in a moment; the second conclusion to be drawn is found in a quotation from Beauchesne in paragraph 2 of citation 104, which is as follows:

> (2) It has often been laid down that the Speaker's function in ruling on a claim of breach of privilege

does not extend to deciding the question of substance whether a breach of privilege has in fact been committed—a question which can only be decided by the house itself.

On Thursday, June 4, without restating here the question of privilege, I said:

I am going to make a personal appeal to the right hon. Leader of the Opposition to withdraw those words or take other steps which will amount to a withdrawal . . .

I must confess that this might not have been the exact procedure which is usually followed. At that time I was thinking of another quotation of Beauchesne which is found in paragraph 5 of the same citation, 104:

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

When the leader of the New Democratic party rose on a question of privilege it was normal for the Speaker to assume, as the matter had taken place outside the house, that a motion would be made where the Speaker might have decided if there was a prima facie case of privilege. The usual proceedings would then have followed. This is in accordance with what is stated in the parliamentary dictionary by Abraham and Hawtrey at page 41:

If the Speaker decides that the member has made out a prima facie case, the member must make some motion in reference to the matter. He usually moves that the matter of the complaint be referred to the committee on privileges but he may content himself with moving a resolution to the effect that the act of which he complains constitutes a breach of privilege.

In other words, what the Speaker has then to decide is whether, assuming that the facts are as stated, the conduct complained of could be reasonably held to be a breach of privilege; and here I might in passing refer to what Abraham and Hawtrey say on page 40:

To constitute a breach of privilege a statement reflecting on the conduct of a member in his capacity as a member need not be untrue but it must tend to lower the house in the eyes of the public.

In other words, as stated by Bourinot in his third edition, at page 152:

To constitute a breach of privilege such libels must concern the character or conduct of members in that capacity.

Parliament being the highest court in the land, Bourinot also writes in his fourth edition, at page 38, in relation to privileges:

Their extent and nature have frequently been subjects of controversy, but in the main they are decided by the legislature itself and its decisions, speaking generally, cannot be called into question by any other court or authority.

Among the Canadian precedents in relation to alleged breaches of privileges or contempts committed outside of the house and dealt with by the house itself are the following cases, which I need not examine in detail: the Elie Tassé case in 1873; the Cinq-Mars case in 1906; the Miller case in 1913; a case in February, 1914, where Mr. Law rose on a question of privilege regarding newspaper statements; two other cases on the 8th and 15th of April, 1915; also on February 3, 1916, where a member complained of an article in the Toronto *Star* being incorrect in reporting him; then the Spear's case in 1920; and finally, the Sperry and Hutchinson Company case in 1960. There would be no great advantage in reviewing these cases at the moment.

Now to come back to our second point, that is that these matters are to be decided by the house itself; I must say that on Thursday last, the hon. member for Burnaby-Coquitlam having raised the question of privilege and not having concluded by making a motion, I was put in the position where it was normal that I should allow the right hon. Leader of the Opposition to make an answer. Other members then rose on the question of privilege, among them the member for Winnipeg North Centre, the member for Villeneuve, the member for Quebec-Montmorency, the member for Nanaimo-Cowichan-The Islands, the member for Parry Sound-Muskoka; and it was at that stage that I did make a personal appeal to the Leader of the Opposition that he might, and I quote, "help us out of a very difficult situation at the moment".

I will now deal with the procedure on a breach or alleged breach of privilege and refer to Bourinot, fourth edition at page 63, where he states:

When the offence is contained in a newspaper, the latter must be brought up and read at the table unless the extracts are of an inordinate length and then the member must conclude with a motion founded on the allegation that he has brought forward. It is irregular to make such a complaint unless the member intends to conclude with a motion.

In consequence, the only obligation of the Speaker is and should be that, before putting the motion, he would decide if there is a prima facie case of a breach of privilege. If he does find a prima facie case then the house, as stated by Bourinot, at page 62:

Will consider whether the member has excused himself or whether he is guilty of the offence. If

the house come to the latter conclusion, he will be declared guilty of a breach of the privileges of the house.

Bourinot also states at page 64 that:

When a member has reason to complain of a speech made by another member outside the house, he must bring up the paper, but it is customary, as a matter of courtesy, to give notice of his intention to the member complained of and ask him formally whether the report is correct before proceeding further in the matter.

To give a last quotation from Bourinot, at page 305 the author writes:

When a member proposes to make a motion touching another member, it is frequently found convenient that he state his intentions in his place, and then give notice that he will move it when motions are called in due order on a subsequent day.

As to precedents in the United Kingdom, referring to the fact that the authority of the house supersedes that of the Speaker in the case of occurrences which have taken place outside the house, here are two such precedents which appear to be applicable.

On April 11, 1877, on a question of privilege raised by Mr. Sullivan complaining that an hon. member had called him a liar in the lobby, Mr. Speaker said:

If such an expression as that stated by the honourable member for Louth had been made within my hearing in the House, of course it would have been my duty at once to interpose on my own authority. The expression, however, was used in the lobby and it will be for the House to determine what course to take under the circumstances... it becomes my duty to call upon the member for Stoke that he may be heard by the House in explanation of the statement made by the member for Louth.

Later on the Speaker repeated:

It is for the House to determine whether that observation should be withdrawn by the honourable member.

Then on July 21, 1887, respecting a question of privilege, Mr. Speaker made the following statement:

There have been repeated complaints made to name the members of this House in the course of the session, of language used in the lobbies which I have thought to be derogatory to the dignity and character of the house. The honourable gentleman was deeply pained and I told him that I thought that he was justified in bringing the matter before the house; that I thought it was not for me, in a case of that sort, to intervene; and that the House should decide for itself if he thought proper to bring the matter before the House.

However, in that case the Speaker did discuss at length what had happened in the house, and he concluded as follows:

I hardly know whether I have transgressed the bounds of my duty to the house in what I have said; but I would respectfully urge the house, after the formal, distinct, and unreserved apology, as I regard it, that the apology should be accepted by the house, and that the house should no longer pursue this question.

In the same manner I might say myself that I hardly know whether I transgressed the bounds of my duty to the house last Thursday, but I was satisfied on that day that the withdrawal of the right hon. Leader of the Opposition should be accepted and that the house should no longer pursue the question.

Having regard to what I have said and to the numerous precedents I have quoted, I believe that it is quite clear, in respect to incidents which take place outside the house, that it is the house itself which has the authority and responsibility of resolving any questions of privilege. I suggest that hon. members in future when raising questions of privilege, such as those raised last Thursday, should at the very beginning of their speech advise the Speaker that at the end of their statement they will conclude with a motion so that, if such a matter is found to be a prima facie case of breach of privilege and also if it has been raised at the earliest opportunity, the house may deal with it according to the rules and the recognized practice.

COMMITTEES OF THE HOUSE

Second report of special committee on defence—Mr. Hahn.

Second report of standing committee on standing orders—Mr. Asselin (Notre Dame de Grace).

RAILWAYS, CANALS AND TELEGRAPH LINES—CONCURRENCE IN FIRST REPORT

Mr. J. T. Richard (Ottawa East) presented the first report of the standing committee on railways, canals and telegraph lines, and moved that the report be concurred in.

Motion agreed to.

LIBRARY OF PARLIAMENT

CONCURRENCE IN REPORT OF JOINT COMMITTEE

Hon. Guy Favreau (Minister of Justice) moved:

That the report of the joint committee of both houses on the library of parliament, presented to this house by Mr. Speaker on Monday, May 25, 1964, be now concurred in.

Motion agreed to.

Government Notice of Motion

CANADIAN NATIONAL RAILWAYS—TRANS-CANADA AIR LINES

REFERENCE OF ANNUAL REPORTS AND BUDGETS TO STANDING COMMITTEE

On the order:

Government notices of motion—The Minister of Transport—that the annual reports for 1963 of the Canadian National Railways and of the Canadian National Railways securities trust, the auditor's report to parliament for 1963 in respect of the Canadian National Railways, tabled on April 7, 1964, the budget for 1964 of the Canadian National Railways, tabled on March 30, 1964, the annual report of Trans-Canada Air Lines for 1963, the auditors' report to parliament for 1963 in respect of Trans-Canada Air Lines, tabled on March 6, 1964, and the budget for 1964 of Trans-Canada Air Lines, tabled on February 28, 1964, be referred to the standing committee on railways, canals and telegraph lines.

Hon. J. W. Pickersgill (Minister of Transport): Mr. Speaker, I wonder whether you would permit me to say that I understand there will be unanimous consent to adopt this motion immediately. If that is the case it would seem redundant to have it transferred from one order to the other, and I would make the necessary motion.

Mr. Speaker: Does the house give unanimous consent?

Some hon. Members: Agreed.

[*Translation*]

Mr. Gilles Grégoire (Lapointe): Mr. Speaker, we are prepared to give our consent, but one thing is surprising in the resolution. Usually budgets of the C.N.R. and Air Canada were referred to a sessional committee of the house —besides that is what the acting leader told us yesterday. The record shows that budgets of the C.N.R. and Air Canada are to be referred to a sessional committee of the house; it has always been so in the past. Now, today, request is made that they be referred to the standing committee on railways, canals and telegraph lines, when there is no mention of airlines among the subjects to be considered by that committee.

That is why I think this calls for an explanation by the Minister of Transport. Why this change of policy this year, compared to previous years?

[*Text*]

Mr. Pickersgill: Mr. Speaker, if I may be permitted to say a word, there are two reasons. The first is that it is contemplated that there is going to be legislation which normally goes to the standing committee, and it was thought it would perhaps be better to try to concentrate in one committee all those members really interested in transport questions so they would be continuously informed throughout the course of the session. The second reason is that we do seem to have a great deal of committee work going on during the present session, and a multiplicity of committees would create difficulty. I can assure all hon. members, if assurance is necessary, which I know it is not, that any substitutions of membership desired by any party will be promptly made by the whip.

Mr. Speaker: Is it agreed?

Some hon. Members: Agreed.

Motion agreed to.

QUESTIONS

(Questions answered orally are indicated by an asterisk.)

SERVICES OF FEDERAL DEPARTMENTS, LABRADOR BOUNDARY CHANGES

Question No. 744—**Mr. Macquarrie:**

1. Have the services of the surveyor general of Canada, or any other agency of the Department of Mines and Technical Surveys, been requested by either the government of Quebec or the government of Newfoundland regarding their announced intention to discuss the exchange of 22,000 square miles of territory in Labrador and northern Quebec.
2. Have any departments of the government of Canada been advised of the projected boundary changes?

Mr. Lamontagne: 1. No.

2. No.

TWELVE MILE FISHING LIMIT

Question No. 880—**Mr. Lambert:**

1. What is the effective date of the proclamation of the Canadian government of a 12 mile limit off Canada's coast line?
2. Have any protests been received from foreign governments concerning the proclamation by Canada of the 12 mile limit?
3. How does the government of Canada propose to enforce this 12 mile limit?
4. What is the nature of the enforcement fleet referred to recently by the Minister of Fisheries on which Canada will rely?

Mr. Robichaud: 1. Legislation to establish a 12 mile fishing limit was introduced in the Senate on April 30.

2. I informed the house on April 27 that discussions have been taking place with countries which may be affected by Canadian action. We are hopeful that satisfactory arrangements will be worked out with countries concerned.

3. As above indicated, legislation for this purpose has now been introduced.

4. Approximately 26 patrol vessels are available and they will be supplemented by air patrols.

IMMIGRANT STATUS OF HAL BANKS

Question No. 974—**Mr. Coates:**

Does the government intend to cancel the landed immigrant status of Hal C. Banks?

Mr. Badanai: Since Mr. Banks' conviction is under appeal, it would not be appropriate to answer the question at this time.

OTTAWA—SHARE IN COST OF UNDERGROUND WIRING

Question No. 1,000—**Mr. Prittie:**

1. Has the federal government received a request from the city of Ottawa asking that the government share in the cost of placing overhead wiring underground in the downtown area and, if so, when was this request received?

2. Has any decision yet been made by the federal government?

Mr. Davis: Yes. The previous administration received a letter from the mayor of Ottawa dated December 9, 1961.

2. In a letter dated February 5, 1962, the Minister of Public Works replied to the mayor outlining an arrangement differing from that proposed by the city. The minister's letter stated that the federal government is prepared to concur in the placing of wiring underground where this is the policy of the municipality and where the contribution of the federal government is the same as any other property owner. However, in special cases, placing of wiring underground would be supported for aesthetic or other reasons where there is a clearly identified federal interest—for example, in those areas of Ottawa forming part of the national capital development.

INVITATIONS TO JUSTICE MINISTER, SKEENA CONSTITUENCY

Question No. 1,010—**Mr. Howard:**

Has the Minister of Justice been invited to attend any function or visit any place in the electoral district of Skeena for 1964, and, if so, with respect to each such invitation, by whom was the invitation given, for what function or purpose, at what time or times, and has it been (a) accepted or (b) declined?

Mr. Favreau: No.

R.C.M.P. BARRACKS CONSTRUCTION, PELLY, SASK.

Question No. 1,038—**Mr. Korchinski:**

Has the government purchased any land at Pelly, Saskatchewan, with the intention of constructing new R.C.M.P. barracks and, if so, what date was the purchase made, and when does the government intend to proceed with the construction?

Mr. Favreau: Land was purchased at Pelly, Saskatchewan as a site for construction of R.C.M. Police detachment quarters; the date of purchase being September 15, 1961. No date has yet been set for construction of the detachment quarters and no funds are available in the estimates for 1964-65.

REQUESTS FOR RAILWAY LINE ABANDONMENT, COMPTON-FRONTENAC CONSTITUENCY

Question No. 1,142—**Mr. Latulippe:**

1. During the past two years, how many requests has the board of transport commissioners received from railway companies operating in Compton-Frontenac (a) for the abandonment of certain lines (b) for the abandonment of certain stations, and how many such requests have been approved and in what areas?

2. Following each decision, how many people were laid off because of the changes made in the railway schedule?

[*Translation*]

Answer: The Board of Transport Commissioners for Canada advises as follows:

1. (a) None. (b) Three applications were received for authority to retire station buildings. Two of these were approved, one at Birchton, P.Q. and one at Gould, P.Q. Two applications were received for authority to remove station agents and appoint caretakers. These were approved, one at Bury, P.Q. and one at Johnville, P.Q.

2. This information is not on record with the board.

[*Text*]

SALE OF T. MCAVITY LTD., SAINT JOHN, N.B.

Question No. 1,148—**Mr. Fairweather:**

Was the sale of T. McAvity Limited of Saint John, New Brunswick, to Crane ,Canada) Limited the subject of any investigation under the provisions of the Combines Investigation Act and, if so, what was the result of such an investigation?

Mr. Macdonald: The director of investigation and research under the Combines Investigation Act scrutinizes all significant mergers to determine whether the situation warrants formal inquiry under the act. The general practice, however, is that no information is given out as to whether a particular inquiry is being pursued with respect to particular companies or individuals unless and until a report is published.

*NATIONAL HOCKEY TEAM

Question No. 1,154—**Mr. Winkler:**

Has the physical fitness and amateur sports council been requested by the Canadian hockey association to assist in the establishment of a Canadian hockey team and, if so, (a) will this hockey team be for the purpose of international competition (b) will it be located in Ottawa?

Questions

Mr. Munro: The Canadian amateur hockey association has requested assistance under the fitness and amateur sport program for the establishment of a national amateur hockey team in Canada.

(a) Yes.

(b) Ottawa has been suggested as a possible location but this is a matter under study by a committee of the Canadian amateur hockey association.

TON MILES FLOWN BY CANADIAN AIR CARRIERS

Question No. 1,159—**Mr. Latulippe:**

1. What was the number of ton miles flown by Canadian air transport firms last year?
2. What percentage does such number represent of the total ton miles flown by members of the international civil aviation organization?
3. How does Canada rank in terms of ton miles flown per year?
4. What is the increase in ton miles flown by Canadian carriers over the previous three years?

[*Translation*]

Answer: 1. 419,262,000.

2. 3.6 per cent.

3. In 1962, Canada ranked fourth.

4. From 1959 to 1960 an increase of 12.0 per cent; from 1960 to 1961 an increase of 16.5 per cent; from 1961 to 1962 an increase of 10.1 per cent; from 1962 to 1963 an increase of 6.9 per cent.

[*Text*]

*SUBSIDIES TO POLARIS SHIPPING COMPANY

Question No. 1,170—**Mr. Marcoux:**

1. Are subsidies paid to Polaris Shipping Company by the departments of transport and fisheries toward the construction of the ship *Cacouna* by Geo. T. Davie & Sons Ltd. and, if so, what are the names and addresses of the directors of the Polaris Shipping Company?
2. What are the amounts of the subsidies paid to the company by the departments of transport and fisheries toward the construction of the ship *Sillery* by Geo. T. Davie & Sons Ltd.?

Mr. Stewart: I am informed by the departments of transport and fisheries as follows:

1. Yes. Company representatives dealing with the Canadian maritime commission are: president Captain Vallier Bouchard, Rimouski, Quebec; secretary, Mr. Laurent-P. Bolduc, Ste. Foy, Quebec.

2. The amount of subsidy paid to the shipyard on behalf of the owner is $400,000. There is a balance outstanding of $100,000.

No subsidies on these vessels have been paid by the Department of Fisheries.

[Mr. Winkler.]

WINTER WORKS EXPENDITURES, BRUCE COUNTY, ONT.

Question No. 1,174—**Mr. Loney:**

What were the expenditures approved under the municipal winter works incentive program during 1963-64 in the county of Bruce, project nos.; Ont. 798, Ont. 277, Ont. 1264, Ont. 1265, Ont. 901, Ont. 954, Ont. 955, Ont. 1037, Ont. 928, Ont. 1134?

Mr. MacEachen: Municipal winter works incentive program 1963-64, county of Bruce:

Project number	Estimated federal government share of payroll costs
Ont. 798 Chippawa	$18,000
Ont. 277 Kincardine	20,000
Ont. 1264 Port Elgin	1,500
Ont. 1265 Port Elgin	1,750
Ont. 901 Ripley	750
Ont. 954 Teeswater	4,180
Ont. 955 Teeswater	200
Ont. 1037 Whitchurch	5,000
Ont. 928 Wiarton	750
Ont. 1134 Wiarton	3,500
Total	$55,630

CIVIL SERVICE COMPETITION 63H-664

Question No. 1,175—**Mr. Muir (Cape Breton North and Victoria):**

1. What were the results of the recent civil service commission competition No. 63 H-664, fish culture officer?
2. What was the closing date of this competition?
3. Who was the successful candidate?
4. What were the names and addresses of all others who entered the competition?

Mr. Lamontagne: I am informed by the civil service commission as follows:

1. As a result of competition 63H-664, fish culture officer 1, Department of Fisheries, various centres in the province of Nova Scotia, an eligible list, containing the names and addresses of the 27 successful candidates was established. This eligible list was published on page 1245 of the Canada Gazette of April 25, 1964.

2. January 15, 1964.

3. This competition was held to provide eligibles to fill vacancies that may arise in the fish culture stations throughout the province of Nova Scotia during the next 12 months. No appointment has as yet been made as none has been requested by the department.

4. The names and addresses of the successful candidates appear in the list referred to in question No. 1. Having regard for the right to privacy of the candidates and the possibility that publication of information could prove

not only embarrassing but prejudicial to them, the commission holds in confidence the names and addresses of candidates who were not included on the eligible list.

POST OFFICE CARETAKER, CADILLAC, QUE.

Question No. 1,182—**Mr. Caouette:**

1. Has the Post Office Department called for tenders for the position of caretaker for the Cadillac post office and, if so, what are the names of the tenderers and what was the amount of each tender?

2. Has the position been awarded to one of the tenderers and, if so, what is the name of successful tenderer?

3. If the position has not yet been awarded when will the department arrive at a decision?

[*Translation*]

Answer: 1. Tenders have been called by the Department of Public Works for the provision of cleaning service on a contract basis.

Tenders were received as follows: Mrs. Marcel Melanson, Cadillac, $720 p.a.; Mr. Rudolph Veilleux, Cadillac, $1,080 p.a.; Mr. Armand Lacoste, Cadillac, $3,300 p.a.

2. No.

3. The low tenderer has been requested to confirm her tender and if confirmation is received an award will be made shortly after.

[*Text*]

VETERANS AFFAIRS EMPLOYEES, COMPTON-FRONTENAC CONSTITUENCY, QUE.

Question No. 1,188—**Mr. Latulippe:**

1. What doctors, professional persons, or others are employed by the Department of Veterans Affairs in Compton-Frontenac?

2. How long has each of these employees held his job, and what salary is paid to each?

Mr. Teillet: 1. No doctors, professional persons, or others are employed by the Department of Veterans Affairs in Compton-Frontenac.

2. Not applicable.

ISSUE OF CREDIT BY COMMERCIAL BANKS

Question No. 1,193—**Mr. Côté (Chicoutimi):**

Did the Prime Minister state in Montreal on May 26 that decentralization requires financial means which must be found under the terms of the constitution and, if so, could this result in the federal government re-assuming the regalian rights of commercial banks to issue credit?

Mr. Davis: The Prime Minister made the following remarks during his address to the Canadian Manufacturers' Association in Montreal on May 26:

I know that the provinces in our confederation have new problems, new responsibilities and must have financial resources as well as the constitutional authority to deal with them. Canada is a vast continental domain—too big, too spread out, too cut up to be governed exclusively, or even dominantly, from one centre. I believe that the provinces and their governments will play an increasingly important part in our national development, and I for one welcome that as a healthy decentralization—but not as a destructive separatism.

And this development must not be, and need not be, at the expense of the right, the duty and the power of the federal government to direct and control national factors in our development; including financial, economic and trade policy.

The Prime Minister had in mind the revised fiscal arrangements between the federal and provincial governments announced in the House of Commons on April 20, 1964. He was not referring to bank credit.

MOTEL AND HOTEL CONSTRUCTION, BANFF, ALTA.

Question No. 1,203—**Mr. Woolliams:**

1. How many motels, hotels or other such accommodation are being constructed at the present time in Banff?

2. Who is building these motels, and who are the owners of the motels in question and what tenders, if any, were called for by the government?

Mr. Laing: 1. Two, assuming the question refers to Banff national park rather than only to the townsite of Banff.

2. Voyager Inn: Under construction by Poole Construction for Banff Voyager Inn Limited; tenders were called for the site.

Deer Lodge: Under construction by Burns and Dutton for Crosby Company Limited; no tenders called for the site since the new construction is replacing part of an existing concession.

POST OFFICE, MESSINES, QUE.

Question No. 1,209—**Mr. Martineau:**

1. With reference to the answer to question No. 219 concerning the construction of a post office at Messines, Quebec, does the Minister of Public Works now propose to build a post office there?

2. If a post office is to be constructed at Messines (a) has a site been purchased and, if not, has a definite site been chosen (b) to whom did the site belong (c) what was the purchase price (d) is the site located in the centre of the village (e) are there other sites available in the centre of the village (f) have these other sites been considered (g) who recommended the purchase of such site by the government?

[*Translation*]

Answer: 1. Yes, the construction of a post office is proposed for later this year.

2. (a) Expropriation of the site is under way.

(b) Mr. O. Saint-Jacques.

(c) The agreed price is $500.

(d) The site is located approximately one quarter of a mile from the geographical centre of the village.

(e) Yes. Other properties nearer to the geographical centre of the village were considered. However, in view of the cost involved in preparing those sites and other factors, it was decided that the location chosen was more suitable.

(f) Yes.

(g) Officials of the Department of Public Works investigated the acquisition of the site and their choice was approved by the representatives of the Post Office Department, the majority of the residents and the municipal council. A few citizens and one member of the council were opposed to the site chosen.

[*Text*]

*FLAG FLOWN AT PRIME MINISTER'S RESIDENCE

Question No. 1,210—**Mr. Coates:**

1. Who produced the "three maple leaf flag" which was flown from the flagstaff at the Prime Minister's official residence at Harrington lake on Saturday, May 30, and Sunday, May 31?
2. For how many hours was the said flag flown on said flagstaff on each of the said days?

Mr. Davis: Bruck Mills, Limited, Cowansville, Quebec.

2. Several.

ARDA PROJECTS, NEW BRUNSWICK

Question No. 1,212—**Mr. Flemming (Victoria-Carleton):**

1. What are the details concerning the following ARDA projects in New Brunswick: 4001—Advisory services to farmers in farm woodlot management; 4002—Soil and water conservation, under the New Brunswick land improvement program to promote the development of agriculture in those areas where a good potential for development exists within delineated pilot areas during 1962-63; 4004—Alternate land use, acquisition of marginal land for forestry purposes at Lincour and the re-establishment of 15 families; 4005—Soil and water conservation, under the New Brunswick land improvement program, as outlined in project 4002, within delineated pilot areas during 1963-64?
2. What is the estimated cost of each project?

Mr. Sauvé: 1. Project No. 4001: To provide an advisory service to farmers to assist them in the management planning, planting and thinning woodlots, the construction of access trails and other woodlot extension services.

Project No. 4002: To promote the development of agriculture where a good potential for development exists in the areas of Madawaska, Victoria, Carleton, York, Queens, Kings, Westmorland, Albert and Kent counties.

[Mr. Martineau.]

To provide assistance in solving major problems of soil and water conservation as they exist in each area.

Project No. 4004: The purpose of this project is to adjust the land use in the settlement of Lincour from combined farming and forestry to forestry exclusively and to relocate the residents in the area.

Project No. 4005: To promote assistance in the protection of land against erosion by water, the improvement of poorly drained areas by the installation of drainage systems both tile and open ditch systems. The construction of farm ponds for stock watering, fire protection and irrigation.

The areas involved in this project are the same as outlined in project No. 4002.

2. The estimated cost of each of the above mentioned projects is as follows:

Project No.	Total shareable costs	Federal share
4001	$ 36,000.00	$18,000.00
4002	61,500.00	30,500.00
4004	24,597.60	12,298.80
4005	135,800.00	67,900.00

TRANS-CANADA HIGHWAY CONSTRUCTION, NOVA SCOTIA

Question No. 1,228—**Mr. Armstrong:**

What contracts have been approved by the federal government for trans-Canada highway construction between Antigonish and Sutherland's river, and in the case of each contract what sections of highway are to be built and what is the anticipated federal contribution?

Mr. Deschatelets:

Contracts approved	Anticipated federal contribution
French river bridge	$ 166,500
Lamont road overpass, (near Telford, Pictou county)	85,500
Grading and gravelling, 5.1 miles west end of Antigonish bypass to James river	488,700
Grading and gravelling, 3.4 miles from east French river at Broadway to French river	395,100
Grading and gravelling, 3.5 miles from French river towards Sutherland river	520,200

HIGHWAY OVERPASSES ANTIGONISH-WESTVILLE, N.S.

Question No. 1,229—**Mr. Armstrong:**

Are any highway overpasses planned between Antigonish and Westville?

Mr. Deschatelets: No, no correspondence has been received from the province of Nova Scotia relative to further proposed overpasses between Antigonish and Westville.

HIGHWAY OVERPASS, ROUTE 7 AND ANTIGONISH BYPASS, N.S.

Question No. 1,230—**Mr. Armstrong:**

Was an overpass proposed at the juncture of route 7 and the Antigonish bypass?

Mr. Deschatelets: No, no correspondence has been received from the province of Nova Scotia relative to an overpass at the juncture of route 7 and the Antigonish bypass.

TRANS-CANADA HIGHWAY SAFETY STANDARDS

Question No. 1,236—**Mr. Armstrong:**

Has the federal government any jurisdiction over safety standards on the trans-Canada highway?

Mr. Deschatelets: Yes. The trans-Canada highway agreements jointly signed by the provinces and the federal government, contain ruling dimensions for curvature, gradient, sight distances and bridges for the highway. With the exception of the portion of the trans-Canada highway through the national parks, regulations pertaining to safety standards, such as signs, speed limit, lighting requirements, vehicle dimensions, etc., are the responsibility of the province concerned and are generally contained in the relevant provincial highway traffic act. In the case of the sections of the highway through the national parks, safety regulations are the responsibility of the Department of Northern Affairs and National Resources.

QUESTION PASSED AS ORDER FOR RETURN

PRINTING CONTRACTS

Question No. 970—**Mr. Pascoe:**

1. How many contracts for printing have been let by the (a) printing bureau (b) Department of Industry, from April 22, 1963 to date?

2. How many of said contracts were over $500?

3. What are the names of all companies or individuals who did such printing, and the amount of each contract?

Return tabled.

MOTIONS FOR PAPERS

Mr. J. B. Stewart (Parliamentary Secretary to Secretary of State): Mr. Speaker, motions Nos. 124 and 126 are acceptable to the government. Motion No. 121 is acceptable subject to the reservation that it be limited to correspondence which the department can identify in their files and which was not submitted in confidence.

Notwithstanding the offensive way in which motion No. 125 is formulated, it will be accepted. I ask that motion No. 123 be allowed to stand.

Mr. Diefenbaker: What is offensive about it?

Mr. MacNaught: The wording.

Mr. Speaker: Subject to the reservation expressed by the hon. member, is motion No. 121 agreed to?

Some hon. Members: Agreed.

Hon. Théogéne Ricard (St. Hyacinthe-Bagot): Mr. Speaker, I rise on a question of privilege. Last Monday I asked the Minister of Labour when he expected to be giving me an answer to a question I had handed in in my name, and he answered that he was going to give it to me today. I find today that I have no answer, so I want to point out this is an urgent matter and I would like to have an answer as soon as possible.

Mr. Speaker: One moment, please. I am a little in doubt about motion No. 123. Motion No. 123 is to stand?

Mr. Pickersgill: On a point of order, Mr. Speaker, was it not understood that if the hon. member for Antigonish-Guysborough (Mr. Stewart) indicated that the motions were acceptable, then they were passed and they did not have to be called separately?

Mr. Speaker: Yes, that is my understanding.

[*Translation*]

Mr. L. J. Pigeon (Joliette-L'Assomption-Montcalm): I rise on a question of privilege, Mr. Speaker.

Notice of motion for production of papers No. 125 reads as follows:

That an order of the house do issue for a copy of all telegrams received by the Prime Minister since the introduction of the proposed resolutions concerning the two flags and the two anthems appearing on the order paper as items 44 and 45.

The hon. member answers: "That was an offensive question". I do not think the question is such as to offend the Prime Minister and I am convinced it would be in the public interest to have those photostat copies produced in the house. Only the protests received by the Prime Minister constitute an offence, since the Canadian people are against the adoption of two flags.

[*Text*]

Mr. Speaker: Order, please. I am sure we have had enough discussion on both sides, and the case has been presented.

Right Hon. J. G. Diefenbaker (Leader of the Opposition): Well, Mr. Speaker, no; because the expression should not have been used by the hon. gentleman. Notices of motions are not regarded as offensive except by those who have those sensibilities that apparently are possessed by the hon. gentleman. That statement should not have been made.

Some hon. Members: Withdraw.

Mr. Speaker: Orders of the day.

Mr. Diefenbaker: No, Mr. Speaker. The use of the expression "offensive" by the hon. gentleman is not proper; and I ask if you rule otherwise—and the ruling has been made—that gratuitous statements like that should not be allowed.

Some hon. Members: Hear, hear.

Mr. Diefenbaker: I may say, Mr. Speaker, whatever your ruling, it is accepted as always by me, but that is not a proper expression.

Mr. Speaker: Order, please. I do think the point is well taken. I am sure the hon. member will withdraw any implication that was in his answer.

Mr. Stewart: Mr. Speaker, the objection I took to the notice of motion is that in itself, by the terms it uses, it is clumsy and consequently, as I suggested, offensive. It places upon a resolution on the order paper of this house an interpretation which is inaccurate. Now, my intent is to provide the hon. member with the material for which he is asking, without accepting the clumsy or offensive terminology employed by him.

Some hon. Members: Withdraw.

Mr. Monteith: You can't get away with that junk.

Mr. Grafftey: Divine rule.

Mr. Speaker: Order, please. This does seem to give me an opportunity of calling to the attention of hon. members some instructions which the house has given the Chair. Answers to questions should be as brief as possible, should deal with the matter raised, and should not provoke debate. Would the hon. member withdraw so that we can get on with the business before us?

Mr. Stewart: Mr. Speaker, I am quite prepared to withdraw that part, but I should like to observe that—

[Mr. Pigeon.]

Some hon. Members: No.

Mr. Stewart: I should like Your Honour to assure that when notices of motions appear on the order paper, they appear in good order.

Mr. G. H. Aiken (Parry Sound-Muskoka): Mr. Speaker, on the—

Mr. Speaker: Order, please. There is no reason to go into a long debate on this subject. We have had a withdrawal.

Some hon. Members: No.

Mr. Speaker: In the opinion of the Chair there was an adequate withdrawal. The point was raised that perhaps the drafting of questions or motions should be more carefully looked into, and we will do that.

Mr. Aiken: Mr. Speaker, I rise because I feel there has been injustice done and I want to speak on the question of privilege. The other day—

Mr. Speaker: The question of privilege, I understand, has been resolved. The withdrawal has been made and there is no purpose in continuing discussion along this line. The question is over; it is regulated; it is settled.

Mr. Aiken: I heard no withdrawal, Mr. Speaker. There was a withdrawal coupled with an "if".

Mr. Speaker: Once more I tell the hon. member there is no purpose in continuing this discussion. A withdrawal has been made. The question is over and settled.

Mr. Aiken: Mr. Speaker, I wish to rise—

Some hon. Members: Order.

Mr. Aiken: I have the right to speak in this house. I intend to say what I have to say, regardless of the other side of the house.

Some hon. Members: Oh, oh.

Mr. Aiken: All right, all right; as soon as I have some semblance of order from the members across the way I want to make my point. Mr. Speaker, I am rising on a new question of privilege, and it arises out of a statement Your Honour made this afternoon at the opening of the house, followed by the discussion we have just had. The other day the right hon. Leader of the Opposition was required and requested to withdraw a statement that he was not required to withdraw and which did not come within the purview of this house. The statement today did come

within the purview of this house and was made in this house, and my point is that the hon. member should have risen in his place and withdrawn immediately when he was requested to do so, because there has been a change in the rules governing this house. The other day the Leader of the Opposition was requested to withdraw—

Mr. Speaker: Order, please. The last statement is not correct. If the hon. member would read my statement today carefully he would see that his interpretation does not coincide with the position taken by the Chair.

I really do not see any purpose in continuing this discussion. It was my understanding that the hon. member did withdraw; perhaps not in the precise language which would suit the hon. member for Parry Sound-Muskoka, but it was a withdrawal. I think we are wasting far too much time on a minor point.

Mr. Aiken: I bow to your ruling Mr. Speaker.

Mr. Speaker: Thank you.

CHINESE IMMIGRATION

Motion No. 121—**Mr. Howard:**

That an order of the house do issue for a copy of all correspondence, telegrams and other documents exchanged between the government or any agency or branch thereof and any other person or organization in the province of British Columbia since April 8, 1963, dealing with the question of immigraton to Canada of people of Chinese origin except such correspondence from persons who are either prospective immigrants or sponsors thereof as that correspondence relates to such pospective immigrants.

Motion agreed to.

GRANTS OF ARMS TO CANADA, ONTARIO AND QUEBEC

Motion No. 124—**Mr. Winkler:**

That an humble address be presented to His Excellency praying that he will cause to be laid before this house true copies of the original grants of arms for Canada and the provinces of Ontario and Quebec.

Motion agreed to.

TELEGRAMS RESPECTING FLAGS AND ANTHEMS

Motion No. 125—**Mr. Pigeon:**

That an order of the house do issue for a copy of all telegrams received by the Prime Minister since the introduction of the proposed resolutions concerning the two flags and the two anthems appearing on the order paper as items 44 and 45.

Motion agreed to.

REPORT ON THREE RIVERS BRIDGE

Motion No. 126—**Mr. Vincent:**

That an order of the house do issue for a copy of the report submitted by Mr. H. W. Lea, hydraulic engineer, to the Minister of Transport to review plans for the Trois-Rivières bridge to study certain apprehensions of federal engineers, and to report to the minister whether, in fact, the proposed bridge constitutes a danger with regard to ice formation, or for navigation, and, if so, to propose the best way to guard against such a possibility.

Motion agreed to.

EXTERNAL AFFAIRS

POSSIBLE WITHDRAWAL OF CANADIAN TROOPS FROM GERMANY

On the orders of the day:

Right Hon. J. G. Diefenbaker (Leader of the Opposition): I have in my hand a Canadian Press dispatch and with the leave of the house I should like to read it so I might base my question to the Prime Minister. It reads as follows:

Chancellor Ludwig Erhard of West Germany has indicated to Prime Minister Pearson that there would be alarm in his country about any withdrawal of Canadian forces from Germany.

Informants said this was one of the points made by the chancellor in his 47 minutes talk with Mr. Pearson Tuesday.

After dealing with various matters the report goes on to say that other subjects discussed included Canadian-German relations, and so on.

In view of the headline "Erhard Afraid of Canadians Pulling Out of Germany?" and the prominence given to this, would the Prime Minister make it clear—and I am sure he would be speaking for all Canadians—that the suggestion of such a course being followed would be detrimental to western unity and to the maintenance of the strength of NATO?

Right Hon. L. B. Pearson (Prime Minister): The suggestion was not made by the chancellor, nor was it made by myself. Indeed, the chancellor never brought this matter up at all in the discussions we have been having.

Mr. Diefenbaker: There is no foundation, then, for the suggestion that such a thing was in the mind of the Canadian government?

Mr. Pearson: None whatever; and the matter has not been discussed with the chancellor or his party.

Inquiries of the Ministry

ANGOLA—USE BY PORTUGAL OF CANADIAN ARMS

On the orders of the day:

Mr. H. W. Herridge (Kootenay West): Mr. Speaker, on May 25 I addressed a question to the Secretary of State for External Affairs and brought to his attention a newspaper report that women and children were being shot down in Angola by the Portuguese army with arms supplied by Canada to NATO and thence to Portugal. I asked him to investigate this matter and he said he would. Has the minister anything to report to the house?

Hon. Paul Martin (Secretary of State for External Affairs): I have nothing to report as yet, Mr. Speaker.

ASSISTANCE TO AFRICAN COUNTRIES TO COMBAT LEPROSY

On the orders of the day:

[*Translation*]

Mr. L. J. Pigeon (Joliette-L'Assomption-Montcalm): Mr. Speaker, may I direct a question to the Secretary of State for External Affairs?

Does the Canadian government intend to provide within its external aid program to African countries, a contribution to the tremendous work undertaken by His Eminence Cardinal Léger in favour of lepers?

Hon. Paul Martin (Secretary of State for External Affairs): Mr. Speaker, this matter is now under study.

[*Text*]

CYPRUS—REQUEST FOR STATEMENT ON PRESENT POSITION

On the orders of the day:

Mr. T. C. Douglas (Burnaby-Coquitlam): I wanted to ask the Secretary of State for External Affairs a question about an Associated Press dispatch from Nicosia which indicates that the government of Cyprus has asked for a meeting of the United Nations security council in order to denounce the Turkish government's threat of military intervention in Cyprus. The report states that the secretary general of NATO, Mr. Stikker, has arrived in Athens and described the situation as being serious but not critical.

In view of the great concern the Canadian people have for what is happening in Cyprus, has the minister any statement to make regarding the situation?

Hon. Paul Martin (Secretary of State for External Affairs): With regard to the request for a meeting of the United Nations security council, Mr. Speaker, there has been no decision as to whether or not one will be called as requested by President Makarios. The security council will be meeting in any event, some day next week in accordance with arrangements previously made to receive a report from the secretary general of the United Nations. The secretary general of NATO is in Athens as the hon. gentleman has reminded the house, and he is there pursuant to an arrangement made at the last meeting of the NATO ministerial council. The foreign minister of Cyprus is on his way now to New York, and from his public statement through Reuters it is clear the situation is less critical now than it was a few days ago.

Mr. Douglas: May I ask the minister if the Canadian government has been in touch with the Turkish government to express concern at the grave consequences of an invasion of Cyprus by the Turkish forces?

Mr. Martin (Essex East): Our mission has been in touch not only with the Turkish government but also with a spokesman for the government of Greece.

EDUCATION

LOANS TO STUDENTS—INQUIRY AS TO LEGISLATION

On the orders of the day:

Mr. T. C. Douglas (Burnaby-Coquitlam): In view of the statement made yesterday by the Minister of Transport and recorded at page 4094 of *Hansard*, indicating that not all the provinces have so far agreed to the terms of the legislation to provide student loans, I want to ask the Prime Minister if he can give the house some assurance that this legislation will be brought down in time to help finance needy students in the academic year 1964-65.

Right Hon. L. B. Pearson (Prime Minister): That is our hope and it is our intention.

CANADIAN BROADCASTING CORPORATION

WITHDRAWAL OF FILM RESPECTING PRIME MINISTER

On the orders of the day:

Mr. D. M. Fisher (Port Arthur): I want to ask the Secretary of State a question with regard to the Pearson film. In view of the allegation of the producer that a straw ballot was taken to determine whether the Liberal party and the Prime Minister approved of

this film, I wonder whether the hon. gentleman could provide the house with a more thorough explanation of the relationship between the Prime Minister and any of his staff and C.B.C. officials with regard to this whole debatable question.

Mr. Speaker: It does seem to me that this question goes away beyond the limits of the rules. The hon. member made a series of statements at the beginning and gave interpretations. Perhaps he would rephrase his question, if he is looking for information, and put it on the order paper.

Mr. Fisher: I will be glad to rephrase the question. In view of the controversial circumstances which now exist with regard to this film I wonder whether the minister could provide us with a more thorough and plausible explanation of the incidents involved.

Hon. Maurice Lamontagne (Secretary of State): The C.B.C. some days ago—I think it was a couple of weeks ago—issued a statement, and I certainly have nothing to add to that statement.

Mr. Gene Rhéaume (Northwest Territories): Now that the National Press club has seen the film can the Secretary of State tell us whether the Canadian people are to be allowed to view this extravaganza for which they paid $35,000 in taxes?

Mr. Lamontagne: This is a matter of programming—

Some hon. Members: Oh, oh.

Mr. Lamontagne: —and as the minister formerly responsible for the C.B.C., the hon. member for Digby-Annapolis-Kings once said in this house, it would be a tragedy if there were interference with the programming of the C.B.C.

Mr. T. C. Douglas (Burnaby-Coquitlam): In view of the minister's statement that programming lies entirely within the jurisdiction of the C.B.C., can the minister assure the house that there was no interference to prevent this film being shown?

Mr. Pearson: The C.B.C. said so.

Mr. Lamontagne: Not to my knowledge, Mr. Speaker.

Right Hon. J. G. Diefenbaker (Leader of the Opposition): Now that the Secretary of State is in such a friendly mood and is furnishing information so complete and frank, will he tell us what was the position of those five ministers who sat in and examined this particular film before it was declared unfit for human consumption?

Mr. Lamontagne: All I can say about this film is that I have not seen it. The C.B.C. has been completely free in arriving at the decision it has reached.

Mr. Fisher: Perhaps I could put a question to the Secretary of State for External Affairs and ask him whether he presented any opinions which got to C.B.C. executives indicating that this film should not be shown.

Hon. Paul Martin (Secretary of State for External Affairs): What I do in my private capacity is not, of course, the concern of the hon. gentleman, but I suggest that if he is interested in films he come with me tomorrow night and see the film entitled "I Would Like to be that Guy".

Some hon. Members: Hear, hear.

Mr. Eric A. Winkler (Grey-Bruce): I should like to ask the Secretary of State for External Affairs why he is going to see it.

Mr. Martin (Essex East): I am always frank with this house. It is because I would like to be that guy.

Some hon. Members: Hear, hear.

Mr. Douglas: The Secretary of State has said that the decision not to show the film was made entirely by the C.B.C. I should like to ask the minister why it was shown to persons outside the corporation, and particularly why it was shown to advisers in the Prime Minister's office.

Mr. Speaker: I do not think this question is in order. The hon. member has made a series of statements and allegations. He may have the facts; certainly I do not. But it seems to me there is a better way of asking questions than by making a statement that we have to assume is true, and then expecting an answer. If the hon. member would rephrase that question to make it legal—

Mr. Douglas: I will gladly rephrase the question, making it a simple, direct question. Was this film shown to persons outside the C.B.C., and, in particular, was it shown to the Prime Minister's advisers? If so, why?

Mr. Lamontagne: I understand it was shown, as a result of a decision by the C.B.C.

Some hon. Members: Oh.

[*Translation*]

Mr. Gilles Grégoire (Lapointe): Mr. Speaker, I have a supplementary question

for the Secretary of State. Does he intend to ask the C.B.C. to launch an investigation so as to find out who is responsible for that unnecessary expense of $35,000 and again ask the corporation to make a decision in that respect?

Mr. Lamontagne: Mr. Speaker, I will be pleased to communicate the views of the hon. member to the C.B.C.

[*Text*]

Mr. R. Gordon L. Fairweather (Royal): I have a supplementary question. I wonder why the Secretary of State cannot answer my starred question No. 1,207 about the C.B.C., considering that he knows so much about the matter today.

Mr. Lamontagne: I will look into this matter, Mr. Speaker, and make sure that an answer will be provided next week.

COMPARABLE EXPENDITURES ON ENGLISH AND FRENCH TALENT

On the orders of the day:

[*Translation*]

Hon. Maurice Lamontagne (Secretary of State): Mr. Speaker, in answer to the question directed to me yesterday by the hon. member for Port Arthur (Mr. Fisher), here is the gist of the statement made by the C.B.C. in that connection.

During 1963 the C.B.C. paid fees amounting to $14,770,920 to artists of all categories.

According to press reports the president of ACTRA, an organization representing English speaking artists and writers blamed the C.B.C. for allocating to its French language radio and television services two thirds of the expenditures occasioned by fees.

Here are the facts as shown by C.B.C. records:

Of the total amount paid to all artists by the C.B.C. last year, about 60 per cent went to the English service and almost 40 per cent to the French service.

Fees paid to artists, excluding musicians, were as follows: 56 per cent for the English service and 44 per cent for the French service.

The proportion of fees paid to all artists, except authors and musicians, were as follows: English service, 55 per cent, and French service, 45 per cent.

With regard to authors only, excluding musicians and other artists, the proportions were 57 per cent for the English service and 43 per cent for the French service.

According to the newspapers the ACTRA president said that the fees paid to musicians were divided as follows: two thirds for the French language service and one third for the English language service. But it is precisely the opposite.

I should mention that C.B.C. records indicate only the amounts paid to individuals and do not distinguish between members and non-members of unions.

Mr. Gilles Grégoire (Lapointe): Mr. Speaker, a supplementary question. Could the Secretary of State give us the same report regarding the fees paid by the C.B.C. to Canadian artists, as well as those paid to foreign artists.

Mr. Lamontagne: Mr. Speaker, I shall try to obtain the information requested from the C.B.C. and then report to the hon. member.

[*Text*]

DOMINION-PROVINCIAL RELATIONS

PROVINCIAL PARTICIPATION IN FISCAL AND MONETARY POLICIES

On the orders of the day:

[*Translation*]

Mr. Réal Caouette (Villeneuve): Mr. Speaker, I should like to put a question to the right hon. Prime Minister.

Has the federal government received from the Quebec government a request to allow the provinces to participate in the shaping of fiscal and monetary policies of the country?

[*Text*]

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, it is quite impossible to deal with a question of that importance on the orders of the day.

HOUSING

REQUEST FOR FURTHER CONSIDERATION OF REDEVELOPMENT PROJECTS

On the orders of the day:

Mr. H. E. Gray (Essex West): Mr. Speaker, I have a question for the Postmaster General. Now that the amendments to the National Housing Act have been passed by the house, will the minister cause further consideration to be given to extending federal government assistance to a proposed municipal project—

Some hon. Members: Order paper.

Mr. Gray: —to acquire land for the redevelopment of an area in downtown Windsor for commercial purposes, and to similar projects throughout Canada?

Mr. Speaker: I was not able to hear the second part or the lengthy ending of that question, but would the hon. member put it on the order paper.

Mr. Gray: The second part of my question was this, Mr. Speaker. I asked whether the minister—

Some hon. Members: Sit down.

Mr. Speaker: Order, please. Is the hon. member asking another question?

Mr. Fairweather: No; it is another plant.

Mr. Gray: I am sorry, Mr. Speaker, but I did not hear you too well down here. I thought you asked me to repeat the last part of my question.

Mr. Speaker: Is the hon. member for Essex West rising to ask a second question?

Mr. Gray: No, Mr. Speaker, I am not.

NATIONAL DEFENCE

HALIFAX—DISMISSAL OF CIVILIAN COOK

On the orders of the day:

Mr. Gerald A. Regan (Halifax): Mr. Speaker, I would like to address a question to the Associate Minister of National Defence. Is the minister aware that a civilian cook named Lorne Edward Pace, with 12 years of good service in the R.C.N. and two years as a civilian cook with the R.C.A.F. in Halifax, has been discharged for taking home a 50 cent cake? Would the minister investigate the matter—

Mr. Speaker: Order. This question, although quite important, should be put on the order paper.

Mr. Regan: I would like to discuss it at ten o'clock tomorrow night, Mr. Speaker.

POST OFFICE DEPARTMENT

WINNIPEG—POSSIBLE USE OF MAILS TO DEFRAUD

On the orders of the day:

Hon. J. R. Nicholson (Postmaster General): Mr. Speaker, I do not know whether this calls for a correction in *Hansard,* but in fairness to the hon. member for Winnipeg North Centre and the house, I think I should supplement a statement that I made yesterday. I was answering a question that the hon. member for Winnipeg North Centre had asked about the alleged use of the mails by a business organization in Winnipeg which allegedly resulted in severe financial losses to a victim. After I had given the answer—

Mr. Churchill: What page?

Mr. Nicholson: This is to be found at page 4090 of *Hansard.* After I had answered the question a supplementary question was asked by the hon. member, as follows:

> Was it not established that the victim in this case received his first invitation to approach this firm through the mails?

I replied:

> That is not my information, Mr. Speaker.

On reading that answer I have decided that what I should have said—and I want to remove any doubt about this, in fairness to the hon. member—was that I do not know whether he received it through the mails or not; the post office does not censor these letters. He may have received it through the mails or he may not. I cannot say.

Mr. Stanley Knowles (Winnipeg North Centre): A supplementary question, Mr. Speaker. Can the Postmaster General say whether the authorities in Winnipeg are checking the assertion which was made by the man in question?

Mr. Nicholson: As I stated yesterday, Mr. Speaker, this matter has been referred, I understand, to the attorney general of the province of Manitoba, and that aspect of the matter is being looked into.

FORESTRY

NOVA SCOTIA—CONTINUATION OF IMPROVEMENT PROGRAM

On the orders of the day:

Mr. Robert Muir (Cape Breton North and Victoria): Mr. Speaker, I wish to direct a question to the Minister of Forestry. Is he in a position to advise whether an agreement has been reached as yet between the federal government and the government of Nova Scotia for a continuation of the forest stand improvement program which will provide employment in Cape Breton?

Hon. Maurice Sauvé (Minister of Forestry): Mr. Speaker, I wish to thank the hon. member for giving me notice of this question. The matter is now under consideration, and I hope to be able to give an answer some time next week.

Inquiries of the Ministry

CANADIAN FLAG

INQUIRIES RESPECTING CONSIDERATION OF NEW DESIGN

On the orders of the day:

Mr. Reid Scott (Danforth): Mr. Speaker, I have a question for the Prime Minister concerning the flag. I know the Prime Minister has told the country that the issue of a distinctive national flag is a matter of confidence, but in view of the importance of the matter I wanted to ask the Prime Minister this question. Can he say whether a vote of parliament changing the design of the distinctive national flag for example to a single maple leaf instead of three, would be considered by the government as a motion of non confidence?

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, I would like to take notice of that question and answer it subsequently.

Right Hon. J. G. Diefenbaker (Leader of the Opposition): A supplementary question, Mr. Speaker. While the Prime Minister is on this subject would he tell us what are the plans of the government regarding the debating of these two resolutions?

Mr. Pearson: Mr. Speaker, the farm credit bill is before the house, as my right hon. friend knows, and it must be completed before we go on to the flag resolution. It has also been made clear to the house that there are two other matters which must be decided, and the time taken on them will influence to some extent when we will get on to the flag resolution. I am referring to interim supply, which must be discussed before many days have passed, and the other matter is the resolution regarding the constitutional amendment for survivors' benefits. The formula has been agreed to by all the provinces, but with regard to the province of Quebec the agreement is subject to approval by the legislature. It is now on the order paper of the legislature, and as soon as it is dealt with there a resolution will be brought in here. Those are the three matters.

Mr. Diefenbaker: Will that precede the debate on the flag issue?

Mr. Pearson: It depends. If that were passed through the legislature of Quebec this afternoon, it would be important to get that question disposed of at once so it could go to Westminster for the necessary action. We have been informed that it should go to Westminster as quickly as possible because of the parliamentary situation there. Those are the three matters before the house. I would like to proceed with the flag resolution immediately, subject to those considerations with regard to the other two matters.

[Mr. Sauvé.]

Mr. Diefenbaker: Mr. Speaker, in order to have a degree of definiteness—and I thank the Prime Minister for his explanation—would it not, under all the circumstances and having regard to those matters which require to be discussed, interim supply and the like, be desirable that he fix the date for next week, so that members will be in the position to know when it is coming up and can arrange to be sure they are here; because we have to make plans?

Mr. Pearson: Mr. Speaker, the right hon. gentleman is perfectly reasonable in that request, but I am sure he understands our difficulty.

Mr. Howard: It sounds like collaboration to me.

Mr. Pearson: We are not in a position to say when we can proceed with the constitutional resolution until it is dealt with in the Quebec legislature. If we were to proceed with the flag resolution at once, and then Quebec passed the constitutional resolution, we could interrupt the flag resolution and we could go right ahead with the constitutional amendment. The only possible interruption then would be interim supply. If we left interim supply until the very last moment we might very understandably be criticized for trying to get interim supply through by shotgun methods. So it is not an easy situation. But I hope before the end of the day we may be in a better position to indicate what will be done. If we could agree that the flag resolution would start on a certain date, say next Monday instead of tomorrow, because of the uncertainty of the situation, that would be perfectly agreeable to this side.

Mr. Frank Howard (Skeena): A supplementary question, Mr. Speaker. In view of the urgent desire to deal with the question of the constitutional amendment and interim supply as well as the flag, would the Prime Minister consider introducing a motion for the house to sit on Saturdays, during which time we could discuss the flag and then spend the rest of the time on these other important matters?

REQUEST THAT NEW DESIGN BE FLOWN ON PARLIAMENT HILL

On the orders of the day:

Mr. Andrew Brewin (Greenwood): Mr. Speaker, I should like to revert for a moment to the flag issue to ask the Prime Minister the following question. Last Thursday, in answer to a question I put to him, he said he would be glad to arrange to have the flag proposed in the resolution which is to be introduced fly unofficially from the flag poles in front of the parliament buildings. Could he inform the house when this will be done?

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, I would think perhaps tomorrow or Friday, say from five to eight o'clock, would be a suitable time. The flag pole is occupied today.

Mr. Brewin: A supplementary question. In answer to another question at the same time last Thursday the Prime Minister said that he would be glad to look into the suggestion of flying a single maple leaf design; and in view of the fact that I believe he has received a flag with that design, as I have, can he now say whether this suggestion will be acted upon so the house can see both designs before hon. members make up their minds?

Mr. Pearson: Mr. Speaker, I think it would be a little confusing—and I have been thinking about the matter—if two flags were flown, one representing the design that the government is submitting to parliament for its decision and one representing the design favoured by my hon. friend as a private member.

Mr. Mandziuk: A supplementary question.

Mr. Churchill: A supplementary question.

Mr. Speaker: Order. I must remind hon. members that many of these questions on the flag issue have been admitted because of the general emotional interest; but to carry this question on too far is clearly breaking a rule which the house itself has given me, namely that it is improper to anticipate an order on the order paper.

Hon. Gordon Churchill (Winnipeg South Centre): Mr. Speaker, my question does not anticipate an order of the house. I think in fairness to the people who have submitted designs of flags the Prime Minister should, in deference to their wishes, also fly them outside the parliament buildings, particularly the ones chosen by the committee in 1946 as well as the other superior designs, compared with his flag, which he is now concealing.

Inquiries of the Ministry

HOUSE OF COMMONS

POSSIBILITY OF CHANGE IN HOUSE LEADERSHIP

On the orders of the day:

Mr. G. L. Chatterton (Esquimalt-Saanich): Mr. Speaker, I have a question for the Prime Minister. Has the Prime Minister yet received a request from the Minister of Justice to be relieved of his duties as government house leader?

Right Hon. L. B. Pearson (Prime Minister): No, Mr. Speaker. The hon. gentleman and I —and it is quite improper for me to be discussing this matter in the house—have been in consultation with regard to this matter. I know how heavy are his duties but I also know how well he is performing all of them, and I hope he will continue.

Mr. Chatterton: A supplementary question, Mr. Speaker, of the Minister of Justice. In view of the statement made by the minister on television on Monday night that he needed more time for his duties as a member of the house, as Liberal leader in Quebec and as Minister of Justice, when will he formally put the question to the Prime Minister about being relieved of his duties?

CONSUMER CREDIT

STATEMENT ON SALARIES OF ADVISERS TO JOINT COMMITTEE

On the orders of the day:

Hon. Walter L. Gordon (Minister of Finance): Mr. Speaker, yesterday the hon. member for Wellington South asked me about the authorization for payments to certain assistants to the joint House of Commons and Senate committee on consumer credit, and I promised to try to have an answer for him today.

The authorization for these payments to the committee assistants was made not by the Minister of Finance but under an order of the House of Commons and the Senate which was passed in this house on April 30. The decision to engage the two assistants in question was made on May 26 by the joint committee steering group. Payments will be made out of the normal vote in the legislation estimates. It appears likely that supplementary estimates may be required for this purpose.

Inquiries of the Ministry

INDIAN AFFAIRS

STATEMENT ON READINESS OF PROVINCES TO ATTEND CONFERENCE

On the orders of the day:

Hon. René Tremblay (Minister of Citizenship and Immigration): Mr. Speaker, on Thursday June 4 the hon. member for Churchill raised the question of the federal-provincial conference on Indian affairs and asked me to inform the house which provinces were prepared to meet now and which provinces had indicated they would need more time.

To clarify matters, I should inform the hon. member and the house that the federal-provincial conference in question was not postponed as the result of a formal request from any of the provinces. It will be recalled that this conference is intended to deal with measures required to implement or further the aims and objectives generally agreed upon at the federal-provincial conference held in Ottawa last November. Since that time the federal government has been developing certain suggestions which would offer a promising possibility for consensus on the federal-provincial action that might be required.

These proposals are of such importance and complexity that, after full consideration, I came to the conclusion that a conference date in May would not provide sufficient time for their completion and presentation to the provinces in detail and still give the provinces time for adequate study. Accordingly it was suggested to the provinces that the conference be held later in the year so they might have more time to study the actual proposals that will be submitted to the conference.

Mr. Gene Rhéaume (Northwest Territories): A supplementary question, Mr. Speaker. Can the minister advise the house whether invitations to participate in this conference were extended to the governments of the Yukon and Northwest Territories?

Mr. Tremblay: I am not aware of that, but I will take this question as notice.

Mr. Robert Simpson (Churchill): A supplementary question. Can the minister advise the house in relation to the answer he gave us whether some of the provinces did not indicate that they were preparing to go ahead with programs needing ratification by this conference? If the conference were held in October these programs would be delayed some six months. Some very important projects in relation to Indian affairs would be delayed six months.

[*Translation*]

Mr. Tremblay: Mr. Speaker, I am not aware that such a delay could have these consequences.

[*Text*]

PRIVILEGE

MR. MARCOUX—FAILURE OF CHAIR TO RECOGNIZE SOCIAL CREDIT MEMBERS

On the orders of the day:

Mr. Speaker: I must advise hon. members that there is time for one more question before orders of the day.

[*Translation*]

Mr. Guy Marcoux (Quebec-Montmorency): Mr. Speaker, I rise on a question of privilege. I should not like to extend the question period—

[*Text*]

Mr. Churchill: I rise on a point of order, Mr. Speaker. Will you permit other supplementary questions, then, or has the time elapsed?

Mr. Speaker: According to the rules given to me there is a 30 minute period for questions on Wednesdays, but this was a sort of special day. There was a long statement by the Chair and other questions, but if this is a question of privilege I think we should hear it, provided it is a serious one.

[*Translation*]

Mr. Marcoux: Mr. Speaker, it will not be long. I should not want to extend the question period even one second.

I only want to point out that no member of our party has been recognized this afternoon to put a question.

[*Text*]

Mr. G. H. Aiken (Parry Sound-Muskoka): I rise on a point of order, Mr. Speaker. Today there has been only a half hour period for questions. While there is no great objection raised, since my hon. friend from Winnipeg South Centre is anxious to proceed with the business of the house, I think it should be noted that today, when we had only a half hour available, the Postmaster General, the Minister of Finance, the Secretary of State and the Minister of Citizenship and Immigration all made fairly extended statements. I am merely raising a point. If

this trial period is going to work, statements of this sort will not assist in carrying out the business of the house.

FARM CREDIT ACT

AMENDMENTS INCREASING AUTHORIZED CAPITAL, MAXIMUM LOAN LIMITS, ETC.

Hon. Harry W. Hays (Minister of Agriculture) moved that the house go into committee to consider Bill No. C-100, to amend the Farm Credit Act.

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

On clause 1—*Farming.*

Mr. Mandziuk: Mr. Chairman, in my introduction to a discussion of the first clause I might say that during the general discussion at the second reading stage many useful suggestions were made to the minister. I hope he will take note of them. I feel that we are not going to take too much time in discussing this bill clause by clause because some of the amendments are worthy of support. There are some amendments to which I, at least, intend to take exception and as we come to them these will be pointed out to the minister. I hope he will do more than he did at the conclusion of the discussion on second reading. After all the various speeches that had been made in the house, the minister did not see fit to make any closing remarks. Whether or not this was done in order to save time or whether he had nothing to say is anybody's guess.

In so far as the first clause is concerned, Mr. Chairman, on the face of it—

Mr. Hays: May I just interrupt to correct one statement the hon. member has made. He has said I did not see fit to say anything at the conclusion of the discussion on second reading. This occurred at ten o'clock, and there was nothing I could say. I will be glad to answer any suggestions as we go through the bill clause by clause.

Mr. Mandziuk: I thank the minister for that statement, because I expect him to answer a few questions which I shall pose.

This first clause falls into two parts, as is apparent on the face of it. There is reference to the fact that paragraph (f) of section 2 is repealed leaving the impression that this paragraph was perhaps completely changed. As a matter of fact, if you look back at the statute of 1959, when the original bill was passed by the previous administration, you will find no changes have been made except for transposing certain words and the addition of beekeeping to the qualifications of "farming".

The second part of this clause extends the list of those to whom loans can be made. In addition to those whose principal occupation is livestock raising, beekeeping, dairying, fruit growing and all tillage of the soil, the bill purports to extend the right to borrow to the executors or administrators of the estate of a deceased farmer. Let me take these two divisions in order. I take no issue with the proposal to include beekeepers under the act. However, I believe the minister should give some assurance to the committee as to how the corporation proposes to get security from a beekeeper, if beekeeping is the principal occupation.

Mr. Byrne: Are you afraid the corporation may get stung?

Mr. Mandziuk: You will get stung before the day is over. Beekeeping is an occupation that can be conducted on a very small plot of ground. The hives are generally farmed out all over the township wherever there is nectar available for the bees. The bees themselves are perishable insect and some of them are destroyed in the fall, so that a new supply has to be obtained in the spring. The hives themselves are of very little value. What security would the corporation take in a case where beekeeping was the principal occupation? I think the committee should be given some indication of what the intention is with regard to this type of farming. I do not think this clause has reference to the farmer tilling the soil or raising livestock, who keeps bees for the purpose of gaining additional income. He would not be borrowing on that particular asset.

I am not seriously objecting to the second part of clause 1 but I am puzzled as to how the minister's advisers came to include personal representatives for the purpose of qualifying for a loan from the corporation. How do they reconcile that with the definition of a farmer in paragraph (e) of section 2 of the act, which has not been repealed? That paragraph defines a farmer as a person whose chief occupation is farming. Under the bill, provision is being made to extend the right to obtain a loan to the personal representative of a deceased farmer.

I realize that the operation of the farm of the deceased farmer has to be carried on for a number of years. So far as personal representatives are concerned, I divide them into

two categories according, to whether there is or is not a will. If there is a will an executor is appointed but the executor may be someone who does not know beans about farming. He may be a member of the family who is in a business far removed from farming. Furthermore the executor may be a trust company which would carry on the farming operations by remote control. But the executor is authorized to borrow from the corporation.

The same situation exists if there is no will. Some member of the family may be appointed as administrator of the will. That member of the family may not be a farmer and may not know anything about farming. An official administrator such as a trust company could be appointed. The trust company would have no personal interest in the farm and would be operating it by remote control.

As I interpret paragraph (e) of section 2 I believe that the original intention of the act was that a borrower had to qualify as a person having a personal interest in some particular aspect of farming, whether it be raising cattle, tillage of the soil, or beekeeping as now included. My interpretation is that there had to be personal interest, personal attention and the farmer had to live on the farm. I know from experience that in the few years the act has been in operation the corporation has refused to take mortgages on anything other than the land actually occupied by the borrower, namely, his homestead, because they wanted to be absolutely certain of the repayment of the loan.

Let us look at the matter from this angle, Mr. Chairman. In addition to what I have just said about the inclusion of personal representatives, and the possibility that such representatives would have no personal interest in operating the farm of the deceased farmer, there is another conflict that may arise. I refer to the fact that it is the duty of the personal representative, whether he is administrator or executor, to wind up the estate as speedily as possible and distribute the assets to the heirs unless there are special trusts provided for in the will. What would be the situation if the administrator or executor should encumber the land before the loan from the Farm Credit Corporation had been paid off and the land, encumbered without the approval of the heirs, was then turned over to them without any ability to repay on their part?

I have brought this matter up under this clause, not because I oppose this extension. I have to argue hypothetically and present

[Mr. Mandziuk.]

hypothetical situations because I do not know how this provision will work out in practice. Probably the minister has some explanation. His officials must have delved into the matter more deeply than I have. However I know from experience that the corporation will be confronted with difficulties, if it lends to people who have no personal interest in the property which the corporation is taking as security for the loan. In answering my questions I hope the minister will indicate whether he has had requests to make this extension and, if so, from whom have they come? That would be of interest to the committee.

Mr. Hays: Mr. Chairman, I cannot tell the hon. member the exact number of requests, but we have had many requests for this sort of thing. I think that the intent of this provision is that the executor of the estate would operate the farm for the recipient of the estate. I might go one step further in explaining this matter by giving an example. What we were trying to do was to make it possible for a father to provide that his son could continue operating the farm and have an additional farm. Suppose the father has two sons who wish to take up farming, and his own farm unit is not large enough to support the two sons. He may wish to transfer the farm to one of his sons, while at the same time assisting the other son to buy a farm of his own.

Mr. Mandziuk: On a point of order, I think this matter is covered in another section.

Mr. Hays: I thought I would cover it now.

Mr. Mandziuk: The minister is going into another section.

The Chairman: Order. We are on clause 1 of the bill, of course, and we can have a general discussion, but I agree with the hon. member that we should not go into the details of any other section.

Mr. Mandziuk: Let us have answers to my questions.

Mr. Hays: Mr. Chairman, I think the intent of this particular provision is to enable the deceased farmer to confer on the executor of the estate the same privileges as the farmer would have if he were still living. The executor is acting on behalf of the heirs of the estate. The Farm Credit Corporation would be lending the money to the heirs of the estate who would be operating the farm.

Possibly the heirs would not be of age but they would want to continue the operation of the farm.

Mr. Mandziuk: I do not think the minister has quite got my point. Can he envisage an executor administering a farm for 30 years, which is the period of time for repayment of a loan from the Farm Credit Corporation? Any child who may be born at the time of the death of the farmer reaches his majority at age 21. I would like to know how the minister reconciles this extension with paragraph (e) in the act, which I interpret as stating quite definitely that the borrower must have a personal interest. An executor or administrator has no personal interest because he is just a trustee, and there is even less of a personal interest if it is a trust or loan company administering the estate. If the minister had suggested a repeal or amendment to paragraph (e) I could understand it would be workable. Otherwise I do not think the provision gives the corporation authority to lend to administrators or executors.

Mr. Hays: The loans would be for the benefit of the heirs who may not be able to borrow for themselves, and the executor can state he is acting for the heirs until such time as he, the executor, steps out of the picture.

Mr. Mandziuk: I do not think that is a quite satisfactory answer, Mr. Chairman, but I do not believe I can get any further with my question. I think the minister is labouring under a misconception that the executor may be one of the members of the family, and he would have an interest in preserving the estate for a brother or sister. The minister has not answered my question concerning the estate being administered by an outside administrator or trust company as executor. I have a large number of wills in my office and the testators have indicated they want me to act as executor of their estates. However, I am not a farmer. I have no personal interest. What right should I have to borrow money and encumber a deceased farmer's estate? I would be renting the land out and having somebody else operate it, and this is in contravention of paragraph (e).

Mr. Hays: Paragraph (e) reads as follows:

> "farmer" means a person whose principal occupation is farming, and, for the purposes of Part II, includes a co-operative farm association and a family farm incorporation as defined by regulation;

This is broadening it, and the explanation in the bill says:

> The expression "farmer" as used in this act primarily means a person whose principal occupation is farming. This amendment would enable the corporation to deem the executor or the administrator of the estate of a deceased farmer to be a farmer for the purposes of a Part II loan.

This is intended to broaden the provisions of paragraph (e).

Mr. Mandziuk: Mr. Chairman, the minister has my blessings. I only hope it works because I realize there is no law that can be put on the books that is perfect. Time alone will show whether it will work, but I have my doubts. I know what section 2 of the act refers to. It refers to co-operatives and corporations, but I do not know how I, as the sole executor of a farmer's estate, could be considered to be a corporation. If that is the best explanation we can get, we shall have to take it.

Mr. Pascoe: I should also like to deal with this amendment making it possible for the corporation to lend money to the executor or administrator of a deceased farmer's estate. As recorded at page 3865 of *Hansard* for June 2 the minister said:

> One amendment will make it possible for the corporation to lend to the executor or administrator of an estate of a deceased farmer, and thus the corporation will be able to assist the farmer's heirs to continue to operate and develop their farms, even though the estate may not yet be fully settled.

In many cases an estate is not fully settled because of a dispute over the value of the land. I am wondering, when a loan is made by the Farm Credit Corporation, will the corporation's appraisal of the value of the land be accepted for payment of estate tax?

Second, in making these loans has any consideration been given to the incorporation of a life insurance clause whereby, in the case of death, the loans would be paid off?

Mr. Hays: When my officials suggested that this be put in the bill to broaden paragraph (e) of the act, they stated there were many requests for this. For instance, there are cases where a mother would have an interest in a farm as long as she lived, and loans could be made under these circumstances. We know this will work, and requests have been made for this.

Mr. Pascoe: Would a Farm Credit Corporation appraisal of the value of the land be accepted for estate taxes, and what about the question of a life insurance clause in the case of death?

Mr. Hays: Would the hon. member rephrase the second part of his question?

Mr. Pascoe: For example, when a credit union makes a loan there is a life insurance clause so that in the case of death the loan is paid off. Has any consideration been given to providing such a clause in the case of farm credit loans?

Mr. Hays: Insurance in part III loans is compulsory, and it is optional under part II. I am not just sure I understand exactly what the hon. member is getting at.

Mr. Mandziuk: I think I could assist the minister. What my hon. friend has in mind is insurance on credit union loans, and to keep the record straight it is the credit unions themselves that insure the borrower. I do not think there is any obligation to do that with the Farm Credit Corporation.

Mr. Pascoe: There is no obligation but I wonder has it been considered?

Mr. Rynard: Is it not true that they are insuring them at the present time?

Mr. Hays: About 60 per cent of them are insured.

Mr. Rynard: What are the qualifications for insuring them?

Mr. Hays: Part III is compulsory and part II is voluntary.

Mr. Rynard: In other words, the size of the loan determines the compulsion.

Mr. Hays: It is the part of the act concerned, not necessarily the size of the loan.

Mr. Rynard: Could we have the qualifications? This is the point we are trying to clear up.

Mr. Hays: Part III is compulsory and part II is voluntary, after medical examination if required.

Mr. Rynard: What does part III refer to?

Mr. Hays: These are the loans that are supervised.

Mr. Rynard: These supervised loans which may be insured. How is that insurance placed? Is it placed after medical examination? How long does it last? What happens if a man who gets a loan dies?

Mr. Hays: It lasts for the life of the loan and it is group insurance taken out by the corporation.

Mr. Rynard: Supposing a man dies just before his loan comes through. What happens then? Suppose his application for a supervised loan has been passed.

Mr. Hays: I understand the insurance does not come into force until the loan has been made.

Mr. Rynard: But on the basis that he was promised a loan, a loan which is coming through, he could have purchased a lot of material and equipment. What would become of the widow? Let us suppose the day before the cheque arrived the man dropped dead. He had gone ahead and purchased material and equipment he wanted.

Mr. Hays: It is all hypothetical, but we would go ahead and make a loan to the widow if she wanted it.

Mr. Rynard: I do not want to dispute that. I know the minister is telling me what he feels is right, but I should like him to check that answer.

Mr. Hays: I will be pleased to do that.

Mr. Pugh: The hon. gentleman says a loan would be made to the widow. But would she be in a position to take on such a loan?

Mr. Hays: If she wished, because I think it would have been a co-operative venture.

Mr. Pugh: The widow might not be able to farm or to carry on. What would be the point of making it to her?

Mr. Peters: In rising to speak on clause 1 of the bill I might, perhaps, draw attention to the presence in the gallery of Mr. Ken Kelly, who is at the present time the sole representative of the fourth estate responsible for disseminating throughout Canada information garnered from this debate. I know this will be of interest, since members of the gallery continually draw attention to the attendance here of members of parliament. I know he is going to be hard pressed to carry this information across the country—

An hon. Member: He can do it.

Mr. Peters: Certainly, he can do it. But agriculture is not normally his field and maybe, therefore, sympathy will be shown to some of us who are, similarly, outside our usual fields.

I should like to ask, first of all, whether the minister has given any consideration to extending the definition of farming, which has already been extended so as to include beekeeping, so as to cover the growing of trees for pulp, Christmas tree production and the raising of seedlings. A farmer often needs

to purchase adjacent land in order to carry out activities of this kind, and in most cases a good deal of credit is necessary in relation to the amount he can reasonably expect to receive from his operation. Such credit is not easy to find. In my own part of the country tree cultivation has played an increasingly important part in the development of the area. Indeed, Senator Roebuck, of the other place, in editorials he wrote many years ago in a local newspaper in Timiskaming, said that pulp and timber, to us, took the place of wheat in western Canada, inasmuch as it was the basis of the development of our land. Perhaps the minister will give consideration to extending the definition of farming along these lines.

I wonder, too, why some consideration has not been given to establishing a revolving fund, so that instead of returning to general revenue moneys paid back to the Farm Credit Corporation could continue to be used by the corporation as the basis of new loans. If this were done, parliament might not be constantly needing to consider bills making additional money available to the corporation. Because of the rate of interest charged, the sum of money would, obviously increase, and this would assist to some extent.

In the third place, I should like to ask the minister why a distinction has been made between the two classifications, part II and part III. We believe that in their efforts to establish economic units, farmers should have to pay the lowest possible rates of interest. Here, in the case of the larger amounts, it is provided that an additional sum should be paid to cover costs of administration. I urge the minister to continue the policy of charging 5 per cent across the board with respect to farm loans. If he is arguing that those who borrow the larger amounts, $20,000 and more under parts II and III, are not, in the strict sense, running family farms or seeking to establish economic farm units, I think he should tell us so. But if it is felt these loans are for the purpose of establishing more economic units in the light of the new technocracy we should, I think, maintain the rate of 5 per cent.

I know the minister has not yet had an opportunity to say something about the effect the possibility of these new loans in the top range is likely to have. Would they not have the effect of allowing some prosperous farmers to extend their operations at the expense of neighbours who might not yet have extended their operation sufficiently to become economic units? It seems to me the existence of the possibility of such large loans is bound to lead to an increase in the market values of land. It is bound to increase the ability of one farmer in an area to purchase neighbouring farmland. If this is a factor, then I believe the department will have to give some consideration to the sociological problem that is going to develop in terms of rural economy and the family farm unit.

Mr. Hays: Mr. Chairman, in reply to the first question in connection with the woodlot, in the farm credit regulations on page 16, section 9(a), I think this point is covered. It says:

> The appraised value of the land shall be based on the value of the land for agricultural purposes, including the commercial value of any part thereof used by the applicant for the production of forest products and, so far as possible, on the productive value thereof based on the average yield and prices of farm products and operating costs.

So in the regulations it is possible to go ahead and borrow on a woodlot in order to plant more seedlings, and that sort of thing. With regard to the other question in connection with the cost to the corporation in so far as loans are concerned, the loans now are costing .87 of 1 per cent; this is the cost of the corporation's administration. We do not anticipate that there will be any additional cost with regard to enlarging loans to between $20,000 and $40,000; we anticipate that the same costs will prevail.

In connection with the third question, I think a great deal of our reason for extending these loans is this. Last year we lent $108 million, and the total amount, more or less, of the corporation's loans now are up around $375 million. Outside of this we know that farmers borrowed $235 million just last year at interest rates in excess of 10 per cent. So we know that the need is there. If you stop and think about a farm today, if a man has 20 cows and he has $10,000 worth of buildings and 100 acres of land, without any machinery, he is up to $26,000. If you hope to earn 10 per cent on a $40,000 investment you are only speaking of $4,000 as being the farmer's net return. If you get to $60,000, you are speaking of $6,000 at 10 per cent—and there are not too many farmers who are today earning 10 per cent on their investment. In the United States similar loans are now up to $95,000; $60,000 for land and buildings and $35,000 for chattels.

An hon. Member: What is the interest rate?

Mr. Hays: I am not sure of the interest rates in the United States. We are saying

that the first $20,000 on the unsupervised loans will bear an interest rate of 5 per cent; that rate will remain. Then any additional loan will be at an economic rate, and this would bear a relationship to the rate of interest at which we borrow money. Apparently we borrow our money four times a year. I am referring to the federal government. The interest rate on this money is 5⅜ per cent. To this you would add the cost of operation, which would be .87 of 1 per cent. In addition to this there would be possibly one eighth per cent for provision for bad debt on new loans—not on present loans. It would be on the additional amount between $20,000 and $40,000, $27,500 and $55,000. This is what the amendments really say.

Mr. Douglas: Mr. Chairman, is the minister saying the government is paying 5⅜ per cent for the money which it borrows? This seems a fairly high rate of interest. Is this money borrowed on the open market with 20-year bonds? It seems a fairly high rate of interest for the federal government to pay.

Mr. Hays: In this regard we are speaking of 20-year money, for which today we are paying 5⅜ per cent.

Mr. Whelan: Mr. Chairman, if I understand the position correctly—

Mr. Pigeon: Filibuster.

Mr. Whelan: Under clause 1 we can talk in generalities. You can be sure that I will be pretty general on this subject. This clause provides that beekeepers shall be called farmers for the purpose of borrowing money. I would say that most farmers I know have been associated with the beekeeping industry for a long time, because they have been stung so often by busy bee politicians, or whatever you want to call them, and they are so dubious about this act that they are worrying how badly they are going to be stung again.

Mr. Pigeon: Very humorous.

Mr. Whelan: Looking over all that was said yesterday, mainly by the opposition, it put me in mind of a phone conversation I had with my wife about three weeks ago. My wife runs my farm at home.

Mr. Simpson: What clause is this under, Mr. Chairman?

Mr. Whelan: Generalities. I asked her what was going on at the farm, and she said they had had a terrible windstorm. I said, "I can't understand this, because John and Mike were both in Ottawa and there are no people from the front benches on either side, that I know of, who have been down in that area". I asked, "How bad a windstorm was it?" She said, "It was a real bad one". I said, "How bad?" She said, "It blew everything off the farm but the mortgage".

All that was said yesterday by the members of the opposition added up to one thing, that for the last six years they have recognized that the Farm Credit Corporation was not meeting the needs of agriculture. The Conservative government of Ontario recognized the failure of the Farm Credit Corporation to meet the needs of farmers in that province; they recognized this failure by their action. In the first instance they discontinued the junior farm loans, this great saviour that was brought in and which was going to meet the needs of the farmers in Ontario. They recognized the failure of the federal government quicker than did most people.

Mr. Danforth: Did the hon. member say they have taken it off?

Mr. Whelan: They did, and then they reinstituted the junior farm loans, because they recognized the failure of the previous Conservative federal government to meet the needs of agriculture. Mention was made yesterday of interest rates. I am not 100 per cent in favour of the proposals in this bill, but I would point out to hon. members of this house that well over 55 per cent of all money borrowed by the farming industry of this nation is borrowed at a higher rate of interest than is proposed in this bill. Too many of our farmers are turned down by the Farm Credit Corporation and stay in the farm business by borrowing from modern Shylocks at high rates of interest and bonuses, or by borrowing from the finance companies. I noticed an article in the bulletin put out by the Canadian Federation of Agriculture—I think all hon. members will have received this—which says:

> It may be noted that for personal loans the banks are now charging, in effect, well over 6 per cent (more like 10½ per cent), if service charges and the reduction of the loan through amortization are taken into account.

I think it was rather ironic last night when I went back to my office and opened the mail at six o'clock and found a letter that asked when this bill was going to become law. This man wanted to borrow $40,000 to extend his greenhouse industry. There has long been a need for this money for the farmers of western Ontario, where a high investment is made for a very ordinary return. A good many farmers in western Ontario, as members from

that area will realize, have well over $100,000 invested and they are not getting any more by way of return today than an average factory worker.

These people are feeding the nation, and I would say it is true of all farmers in Canada that they are the most efficient producers of agricultural produce to be found anywhere in the world. Moreover they are feeding this nation with the cheapest produced food anywhere else in the world. This is one of the reasons I am not ashamed to ask that this interest rate be reconsidered. When we think of all the other things we are doing for industry, for area development boards and everything else, I do not think it is asking too much if we make sure that our agricultural industry is given a low interest rate in this regard.

Last night one of the members from Prince Edward Island expounded certain theories on the Farm Credit Corporation. One of the matters I feel strongly about is the refusal of the corporation to make a loan when they designate a farm operation as an uneconomic unit. My own view on this is that we should have enough people able to go into the field and say, when they find a farm is not an economic operation and the farmer wants $20,000, that the corporation will lend him $30,000 to put him in a sound economic position, in a position where his children, along with the other children in the neighbourhood, will be able to enjoy the rights and privileges enjoyed by every other citizen in the country.

I also feel that the establishment of an appeal board should be considered. It is claimed that this is covered by the regulations, but I feel it should be written in in black and white. Civil servants have an appeal board to whom they can go if they are not satisfied on something. Unions and other bodies make provision for appeals as well. People can appeal to the local member of parliament, but if the appellant is a Conservative and he appeals to me, and still nothing is done, he will say: "I knew the dirty beggar would not do anything for me because he knew I was a Conservative." I am not exaggerating this because it is a real problem. These people should be able to go to an independent board. I gather from many farm organizations that a good many farmers and business people would be prepared to sit on an appeal board for which they would charge the government nothing. They would know the local problems better than anyone 200 or 2,000 miles away from the problem.

I am not going to congratulate anyone on the administration of the Farm Credit Corporation, because when 55 per cent of the money borrowed by our farmers, as I said before, is being borrowed from Shylocks, and the like, we are not meeting the needs of agriculture in Canada. However, I realize the commitments made by the Minister of Agriculture and the committee he has set up will, we can rest assured, deal with these problems.

Mr. Doucett: Mr. Chairman, I should like to ask the minister an important question. I have had many requests from persons who wished to purchase a farm and had part-time gainful employment, to leave the farm to their wives and families to operate until they had sufficient means to carry on the pursuit of farming. I know that in the past the loan board did not look upon this type of applicant very favourably. I fully appreciate that in order for him to be a desirable applicant he must, first of all, know something about farming; and it is understood that within so many years he will take over and operate the farm himself. I am wondering how the board would look upon an application of this kind under the new act.

Mr. Hays: Mr. Chairman, in reply to the hon. member for Lanark, according to page 17 of the regulations:

> No loan shall be made on the security of farm land that is not part of a farm unit of sufficient size to produce, under the operation of the applicant, revenue which, together with any supplementary income, is sufficient—

And so on. As long as he establishes to the satisfaction of the Farm Credit Corporation that his major income will be from the farm, then he is entitled to a loan. If he was, say, a pilot for Air Canada he would not be entitled to a loan. We have not touched this part of the regulations. Even if he had an economic unit and was a fairly substantial chap there are provisions in the regulations which do not permit him to borrow money under the Farm Credit Act for additional land or chattels. However, I would be glad to consider this matter and hand it over to the committee. But we have not changed the regulations; they are left exactly as before.

Mr. Doucett: So that a man making an application under those circumstances would not have any chance, or at least very little opportunity, of getting a loan; but a farmer can borrow money for his son or his cousin?

Mr. Hays: Yes; provided the major part of his income is from this enterprise then he

can participate in the benefits offered by the Farm Credit Corporation. He could have a part-time income; but if his major income was from some source other than farming he is not entitled to a loan, due to this provision in the regulations.

Mr. Doucett: In other words, if he had a gainful occupation which he worked at, say, eight months of the year, he would have to make more money on the farm than he was making from his other occupation in order to be considered?

Mr. Hays: Yes, that is the way it reads.

Mr. Honey: Mr. Chairman, I should like to take a few minutes of the committee's time. I am pleased the hon. member for Marquette is in his seat now because I want to refer to his remarks, particularly on clause 1(2) of Bill No. C-100. I agree in principle with the remarks of the hon. member, but I would suggest to him—and I speak from some experience of a farm clientele in the practice of law—that possibly he is looking a little too technically at the provisions of this amendment. I think the amendment is designed to overcome, and will in fact overcome, many of the hardships experienced by farm families consequent upon the death of the husband and father. Too often in these circumstances the executor of an estate is placed in the position where he must pay succession duties and estate taxes, and must use some of the estate funds to pay off members of the family to whom legacies may have been left, or charges which may have been made against the farm property. This is the sort of situation in which an executor finds himself from time to time. I am sure my hon. friend has probably found, when acting himself as an executor of an estate, that it would be helpful to him to be able to go to the Farm Credit Corporation and obtain a loan which would permit him to carry on the business of the farm, at least until he is able to hand it over, probably to the son when he attains his majority.

I think all of us know farm families in which it is the desire of the father and mother that the farm will be taken over by a son. This sort of legislation will enable the executor to arrange the finances of the estate, to borrow money perhaps while the son is still a minor, in order to operate the farm. Then, when the son is able to look after the farm the executor can hand over an operating farm to him. I am not concerned, Mr. Chairman, about the doubt raised by the hon. member for Marquette, although I know it is well founded. He referred to the question of a personal interest in the property. I believe that in practice the Farm Credit Corporation will apply the same good business principles to applications from administrators or executors as the corporation applies to any other application. If the executor or administrator can satisfy the Farm Credit Corporation that he is able to carry on an economic farm operation for the benefit of the estate, then I feel it is highly desirable that we have this amendment that will permit the corporation to do that.

If, on the other hand—and I think this should satisfy the doubt in the mind of the hon. member for Marquette—the Farm Credit Corporation is not satisfied with the ability of the executor or the administrator to carry on farm operations, then of course the corporation can refuse the application, just as they do in other cases in which they are not satisfied. The mere fact that this amendment is before the committee today, and the mere fact that it may be enacted, does not mean that all applications by administrators or executors will be granted. I feel that the principles I have just mentioned would apply even in the case of trust companies. I can envisage a situation in the administration of an estate whereby a trust company may be able to go to the Farm Credit Corporation and, acting in the best interests of the estate and the farm family, obtain a loan under this provision which might otherwise have been obtained by the farmer if he were living.

There is just one other point I want to mention to illustrate why I feel I can wholeheartedly support this amendment, and why I feel it is in the best interests of all farmers. I have already mentioned the facility that will be provided by this legislation in permitting the transmission of the farm to the son. Often we have seen cases in which a husband has died prematurely and the farm has to be sold, sometimes in payments of the debts, testamentary expenses and so on. Quite often the farm has to be sold because nobody is capable of carrying on because of lack of experience or for other reasons. There may be a son 14 or 15 years of age and the executor could go to the Farm Credit Corporation and obtain financing to operate the farm without imposing any liability or responsibility upon the wife but relieving her of these responsibilities. In due course, the farm can be turned over to the son. In this way, the farm remains in family

hands into the next generation, as would have been the desire of the farmer.

For these reasons I support these amendments. I am pleased that the hon. member for Marquette raised the pertinent points that he did, but I do not view them with the same concern that he does. I think, in practice, this provision will work out very well.

[*Translation*]

Mr. Latulippe: Mr. Chairman, I avail myself of the study of clause 1 of Bill No. C-100 to state briefly a few ideas about farm credit and in particular to try to make the minister understand the pitiful situation which prevails in my riding of Compton-Frontenac.

First, I must point out that the Farm Credit Corporation and the Farm Credit Act do not meet the sorry plight of the small farmers in Quebec. The reason is very simple: the small farmer cannot prove that his farm is an economic unit and that he is solvent because his income is very often too low, simply because his farm is too small and his equipment too old. Farm credit in itself would probably help several small farmers, but they cannot hope to get a loan because they cannot fill the conditions set up by the body which distributes those loans.

The problem is obviously the families' lack of resources and it is not likely to be solved by new legislation even if the latter provided for penalties and extensions.

Usually legislation does not increase the taxpayers' income.

If so many farmers fail to submit applications, it is for a number of reasons but the main factors involved are of an economic nature. None of us must forget that, because the problem will be solved only if we seek all those causes. We must always remember who made our country what it is today. Who benefits from it? Is it the founders' descendants or is it exploiters and spongers? Why is it that our farmers have become slaves who are fearful of the future in a rich country? Why are they compelled, after three or four generations, to mortgage their farm, and that, through their government?

It is because big interests were successful in controlling money and credit and because governments have become the servants of financial interests. Well, it is that control that all other reformation advocates denounce and respect at the same time that the Social Crediters have decided to break down, so that the people can become again master in their own country.

When a doctor meets a patient, he has two alternatives: to look for the cause, or only treat the manifestations of the illness without looking for the cause.

Our present system goes one better and maintains the centre of infection in laying down that infection as a principle.

Farm credit is no solution. It is a cancer in the economy which will tend to increase the cost of living and to reduce some more the purchasing power, generally, after each payment. That is why we say that credit should be provided at administration costs, if this country really intends to save agriculture.

Farm credit will drive farmers away from their farms to put them back in the hands of the community. As a solution, we are presented with ARDA, a planning and suggestions which farmers will always be too poor to carry out; besides, that ARDA program could not bear fruit before some 15 years and by then, a great number of farmers will have left their farms.

What we need is concrete measures, peacefully hastened, if we do not want to face other depressions which, this time, would be detrimental for the whole economy; if our modern system makes it possible to create debt money with a stroke of the pen, it can make it possible to create, with a stroke of the pen, debt free money to be used to modernize agriculture and give the farmers their legal right to the efforts of generations and their right to become owners of their assets and not only indebted, depossessed and discouraged people, as it is the case today.

The present system has no mechanism to set in balance the consumer's buying power with the producers' production power. Why prefer the commission, ration and planning system? The only thing lacking is the financial system; why control the rest and not that one? Why not talk a little more of planned money and much less of planned economy?

Why not control money, instead of controlling producers and consumers? It is because of our apathy and silence, because we silently endured the whip and the knife in the past, that we have become the most exploited people in the civilized world. We should learn to act.

It is a well known fact that the farming industry in Quebec is experiencing a deep depression. My county is extremely affected by the farmers being considered as second rate citizens by the various governments, simply because they have not in hand, and

on their own, the means of adjusting to modern economic trends.

It is inconceivable that society as a whole should expect so much from agriculture, while our governments ignore the basic problems in their legislation. I say "ignore", because last year, or more exactly on June 4 of last year, I received an answer to a question on the order paper asking for the number and amounts of loans granted by the Farm Credit Corporation in my county.

In 1961, seven requests had been received, of which four were approved for a sum of about $44,000. In 1962, 41 requests were received, of which 30 were approved, representing $413,700 which means ten times as much borrowed money and ten times more people with a financial load to carry.

The Farm Credit Corporation should be able to adjust to the local needs, so as to help not only the farmers to get credit for their own farms, but also to help farm organizations and other people who, though not being farmers themselves, make their living from farming, in order to open up paying markets, so that those who borrow might at least repay their loans.

In Compton, in 1962-63, 18 loans were approved for $282,900, and in 1963-64, 14 loans for $168,700. Fourteen applications were in abeyance. In Frontenac, in 1962-63, 17 loans were approved for $176,000, and in 1963-64, one application was approved, for an amount of $8,000, and five cases were in abeyance.

In both sections of the riding, Compton and Frontenac, 35 farmers were granted a loan. Are 35 farmers an economic market? Because their neighbours were unable to get financial help, they will not be able to make the borrowed money productive. Almost all the farms in the riding represent a whole network of poverty. It is not small farmers, faced with chronic farming problems, who must adapt themselves to the Farm Credit Corporation, but rather it is the corporation which should find some means to adapt itself to their situation and help them.

One has no right to let people suffer, who might produce something to feed a part of our population which lacks the vital minimum, and that for administrative reasons, because of a legislation which is only paperwork, because of the decisions of officials blinded by routine. There is only one thing that can put an end to our troubles: it is a concentration of collective efforts.

Mr. Chairman, I wish to introduce an amendment to section 16.

[Mr. Latulippe.]

I move, seconded by the hon. member for Chapleau (Mr. Laprise)—

[*Text*]

The Deputy Chairman: Order. I apologize for interrupting the hon. member for Compton-Frontenac but if he proposes to move an amendment to clause 16 I think it might be more appropriate if the hon. member would wait until clause 16 is being discussed.

Mr. Hays: Mr. Chairman, with the concurrence of hon. members I wonder whether we might not pass clause 1 this afternoon. I know we cannot pass them all.

Some hon. Members: No.

The Deputy Chairman: Shall clause 1 carry?

[*Translation*]

Mr. Latulippe: Mr. Chairman, may I call it five o'clock?

[*Text*]

Mr. Baldwin: I have some observations on this clause.

Progress reported.

The Acting Speaker (Mr. Batten): 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 and public bills.

ESTATE TAX ACT

SUGGESTED EXTENSION OF MINISTERIAL DISCRETION UNDER SECTION 16

Mr. A. D. Hales (Wellington South) moved:

That, in the opinion of this house, the government should give consideration to the advisability of extending the ministerial discretion delegated by secton 16 of the Estate Tax Act beyond the "undue hardship or excessive sacrifice" limitations, to the end that the minister possess wider power to accept instalment payment of estate taxes and thereby reduce the number of "forced sale" liquidations that, in many cases, have resulted in the loss to Canada of Canadian ownership or control of Canadian business enterprises.

He said: Mr. Speaker, I welcome the opportunity to reintroduce this notice of motion which I favour very strongly and which I hope other hon. members of the house will favour likewise. I should like to outline simply the basis of this motion. Without repeating it word for word, it recommends to the government that it make the payment of succession duties payable over a greater length of time and by instalments.

I think we could put up a very good argument as to why death duties are at all necessary. Death itself causes enough hardship without adding to the burden by taxation, and when we consider that only about 1.5 per cent of the national revenue is derived from this source, in my opinion these taxes have a very crippling effect on the economy of the country. They certainly do not encourage one to save and build up an estate. However they are with us and will probably always be with us.

Therefore I think the government should give consideration, first, to extending the time of payment of succession duties from six months to five years and, second, to making it possible to pay these taxes by instalments.

As my motion deals with the payment of estate tax assessments by instalments I shall limit my remarks to this point. It is of paramount importance to Canada to arrange our taxing statutes so as to encourage the retention in Canada of the ownership of Canadian enterprises and to encourage the development of capital within Canada.

When the demand for taxes at death becomes confiscatory or requires the liquidation of a business at sacrifice prices, serious problems result. I submit that this is one of the reasons why certain taxpayers are forsaking Canada, and also why the control of much of our heritage is being sold to foreign investors. In the case of privately owned businesses where the owners die, six months is far too short a time to wind up an estate and secure the necessary funds to pay succession duties. The widow or some member of the family may wish to carry on the business, but the payment of succession duties in six months time is too great a drain on the capital reserves. Whereas, provided that a non-liquid estate furnishes proper security and interest is charged, there would seem, Mr. Speaker, much in favour of permitting the payments on the instalment basis.

May I remind the house again of the difficulties of continuing a family or small business, or making a satisfactory sale of the business after the dealth of the owner. It does create a real problem. Imposing payment of succession duties within six months only creates further problems, causes forced sales and loss of ownership, often to foreign investors.

I think I should draw the attention of the house to another hardship caused by the payment of these taxes within six months of death. The case so often happens where the survivors, in many instances widows, have to make forced sales of stocks or bonds. The sales have to be made at a low market value, thus creating grave problems for survivors, particularly in family owned corporations.

Another hardship often created by imposing the present regulations of the Estate Tax Act is in the rural area of our country. I know of a case where a father owned a large farm stocked with a good herd of pedigreed cattle. He died without making a will. He and his two sons had been building up this farm. Very unfortunately the mother died a short time afterwards, with the result that the two boys found themselves in the position where they had to gather up sufficient funds to pay the succession duties. There were no liquid funds available. The only thing they could do was call an auction sale, and this purebred herd of cattle was dispersed at that sale. They had taken years to build it up, and it was a real hardship for these two boys to see this herd dispersed simply in order to pay succession duties.

The Estate Tax Act, with respect to payment of succession duties should, as I said at the beginning, be amended to make death taxes payable in instalments, with interest in approved cases. Several representations and briefs have been submitted to the government in this respect. The National Council of Women of Canada, the Estate Planning Council of Toronto, and the Canadian Bar Association have all shown a great interest in this matter, and presented briefs to the royal commission on taxation.

I brought this subject up during the last session of this house, and a number of hon. members were very interested in my motion. Some five speakers participated in the debate, and with the exception of two members on the government side they were in favour of the motion. I realize that those on the government side no doubt will be bringing up some of the arguments that were mentioned previously.

As recorded at page 2990 of *Hansard* of May 6 last, the parliamentary secretary to the Minister of Finance (Mr. Benson) has this to say:

> There is a problem in connection with family businesses which exists in this field and, as hon. members know, the officials of the Department of National Revenue have been looking at this problem for some time. One of the great difficulties with which they have had to deal is the fact that nobody comes forward and gives us a specific example of a business which has had to be sold because of having to pay the estate tax. People talk of this generally but do not come forward and say that a particular business must be sold because of this.

When this motion was debated in the house last December the hon. member for Edmonton West (Mr. Lambert) had this to say, as recorded at page 5617 of *Hansard* for December 9, 1963. He was referring to what Dr. Eaton, the former deputy minister of finance, had to say:

> Dr. Eaton has a very theoretical and nice sounding proposition in the lengthy quotations we got from the parliamentary secretary, but this presupposes that owners of a concern are masters of all the factors and that they can plan to the nth degree. Let me assure him that I am concerned with companies where one cannot do so. I can cite a case of one of our better growth companies, controlled by four men in their forties, which had to be sold to what I am sure was foreign capital because the principal shareholder could not get any insurance. He was uninsurable. This was a growth company where there were no accumulative reserves. The principals drew good salaries but their capital was tied up in the shares of that company and its subsidiaries. If you cannot get a term insurance with a buy-sell agreement, how can you protect the interests of the estate and the remaining shareholders who must make some provision for eventualities? There was no doubt in my mind that against the potential assets of the principal shareholders of this company there was going to be a substantial tax assessment. I know of other cases where Canadians have lost control. I am not going to name the companies; they came through knowledge acquired in my legal practice.

Yet the parliamentary secretary says we do not come forward with concrete examples. I communicated with the Canadian Institute of Chartered Accountants and was informed—and I quote:

> While many of our members in public practice know of many cases where businesses have been sold because of the looming threat of estate taxes, because of the professional relationhip with their clients they are unable to divulge the information you require.

I can well understand that men in these positions are not at liberty to divulge certain things.

On May 21, 1964, the *Financial Post* came out with an article headed "In Five Years These Firms Have Been Sold Foreign". It stated that in just five years control of 143 Canadian firms had been acquired by foreign investors. I am sure we can say that a large percentage of these sales was made because the owners knew of the succession duties which would be facing those companies. I know it is always known what succession duties will be payable. Owners are advised by their lawyers or accountants that the law is as it is, and that there is no use making objection. The tax will have to be paid and they, or their heirs, will have to get the money together with which to pay them within the allotted period of six months.

This is a serious problem. I am not so concerned about the situation in which the large companies or corporations find themselves, though no doubt these succession duties affect them acutely. I am more concerned about the number of small businesses, family owned businesses, which find themselves in a precarious position when the time comes to round up enough money to pay succession duties. I think we are all agreed that death duties in Canada are extremely high. For instance, a company with a taxable income of $1 million has to find $300,000 in succession duties. The duty on a $2 million set-up would be $800,000. On a taxable income of $250,000 succession duties would amount to $44,000, and on a taxable income of $160,000 they would amount to $19,000. It is the problem faced by these smaller firms to which I would refer the house particularly.

I know it has been said that these firms should carry insurance to take care of these eventualities. That is all very well, but there are types of business which just cannot follow such a course. For one thing, they may not be insurable, because of health reasons or other reasons including age. Then again, if life insurance is taken out to cover the situation, it only adds to the total value of an estate and makes the taxable amount so much greater. I would point out that there are many family businesses which are just making a living for their owners. The business is being held together, but there is not enough money available to pay premiums to take care of succession duties. The business is composed of land and buildings, paid for, granted, but there is no money available from which to pay these succession duties within six months. Yet, under the act as it now stands, no provision is made for the payment of these duties over a more extended period of time.

I do not wish to take up the time of the house much longer because I know there are many who wish to speak on this subject. I have been most encouraged by the interest which has been shown in the subject since I first introduced the motion to this honourable chamber. Editorials and letters which have appeared in the press in support of my suggestion have been gratifying. Maybe I should put one or two of them on record—I hope I will be pardoned for the personal references in this connection. The Windsor *Star* printed an editorial headed "The Nub of the Problem" which read as follows:

Alfred D. Hales, Conservative M.P. for Wellington South, puts his finger on the nub of the succession duties and estate tax problem. He told that many small businesses have to be sold to raise the cash to meet the death taxes.

The duties have put more than one modest business on the block. A man builds up his firm, then he either has to liquidate before death to provide the taxation money or his heirs have to sell to pay the taxes.

The succession duties and estate taxes are driving small businesses into the arms of big corporations. That may not have been the original idea, but that is how it works out.

Another editorial—a short one—appeared in *The Independent* of April, 1964:

We have discussed succession duties on these pages before. We have deplored the fact that the law requiring that they be paid within six months is encouraging Canadian businesses to fall into the hands of Americans.

The money derived from succession duties provides the government with only 1½ per cent of its revenue. Yet the sale of businesses to pay these duties is daily allowing more and more of Canada to fall into the hands of foreigners and depriving us all of part of our birthright.

Yet, earlier this year, when Alfred Hales, PC, Wellington South, introduced a bill to allow these payments to be made over a period of five years, the government rejected it.

Perhaps I might mention a letter I received from a private individual who said this:

Some time back the writer read an article in the *Globe and Mail* regarding succession duties, estate taxes, etc. You are so right. To me, any firm which necessarily must sell out for this reason should have cause to be supported by the government.

We have worked very hard and enjoyed seeing our business grow. We started in the basement of our home. Our family and help stuck together and our present shop is 90 feet by 320 feet, and we have taken over another shop 40 feet by 80 feet. We have approximately 140 on our payroll.

The writer expresses his concern about succession duties and about the time when they will have to be paid in cash.

These are all the remarks I wish to make at this time. I hope hon. members will recognize the importance of the situation and express their views. I hope the matter will come to a vote and, if it does, that the subject matter will be referred to the committee on banking and commerce for the further study which I honestly feel it deserves.

Mr. E. J. Benson (Parliamentary Secretary to Minister of Finance): The arguments put forth by the hon. member for Wellington South (Mr. Hales) were very strong, especially strong I feel for the complete abolition of death duties. Indeed, I think the present government has done much in this regard from the federal point of view inasmuch as it has turned over to the provinces 75 per cent of the death duties paid.

First, I think we should have a little background with regard to the sections we are discussing. The sections of the Estate Tax Act dealing with collection of duties are sections 13 to 21. When the Estate Tax Act was passed, there was a change, inasmuch as the executor became responsible for the tax rather than the successor, as was the case prior to the enactment of the act. Section 15 makes provision for instalment payments over a six-year period where a beneficiary is receiving a life annuity. Section 16 is the section to which the motion refers, and I will later quote it in full. This is the section which provides that the minister may make allowance for delayed payment when there is hardship. Section 17(2) provides that an appeal does not stop collection of the tax. Section 18 provides for the payment of the taxes to be met as a debt of the estate, and section 19 provides that there will be 5 per cent interest on the overdue tax. Section 20 deals with penalties, and section 21 with refund of overpayments. The specific section with which we are dealing here, section 16, provides:

Notwithstanding the provisions of this part respecting the time within which payment shall be made of any amount as tax under this part by the executor of the estate of a deceased or by a person as the successor to any property passing on the death of a deceased, where the minister is satisfied that payment of any such amount as tax under this part cannot, without undue hardship or excessive sacrifice, be made within that time, the minister may defer the time for payment of that amount or any part thereof for such period, on such terms and on payment of such interest, not exceeding 5 per cent per annum, as to him seems equitable and proper.

The amazing thing about this particular motion put forward by the hon. member for Wellington South (Mr. Hales) is that he is asking that the minister's discretion be further extended. It seems to me that last year when we were talking about ministerial discretion in order to close up some flagrant abuses under the Income Tax Act there were very, very strong arguments from the opposite side of the house that in no case should ministerial discretion be extended or should more reliance be put upon the minister with regard to the application of a taxing statute. However, be that as it may, I believe that the hon. member's motion is worthy of consideration. Indeed I made statements in this regard on December 9 last and I would refer hon. members to pages 5612-5615 of *Hansard*. I again discussed this particular problem during the debate on the Estate Tax Act—not on

the Income Tax Act, as the hon. member stated. This was on May 6, 1964, beginning at page 2990 of *Hansard*. There would really be very little effect on estates in Ontario if the motion put forward by the hon. member were adopted and were put into the Estate Tax Act. If the federal government were to extend the payment period over five years, it would really have little effect on the payment of total death taxes in Ontario. In backing up this argument, Mr. Speaker, I would like to point out that with regard to Ontario, Quebec and British Columbia the federal government collects only 25 per cent of the death duties. The other 75 per cent of the death duties which are paid by people in the provinces of Ontario, Quebec and British Columbia are not even levied under a federal act; they are levied under provincial statute.

In the province of Ontario they are levied under the succession duty act, and there are similar acts in Quebec and British Columbia. In the other seven provinces the duties are levied under the federal Estate Tax Act and a 75 per cent rebate is made to the provinces. But in the province in which the hon. member for Wellington South resides, 75 per cent of the duties—that is, when the present legislation assigning 75 per cent to that province is completed—will be collected by the province of Ontario. So if somebody has $100,000 in death duties to pay, he will only be paying $25,000 of this amount to the federal government. Therefore if we adopted the hon. member's suggestion and spread it over a five-year period, it would mean that out of a total of $100,000 he would have to pay $75,000 in cash to the province of Ontario within six months, and the other $25,000 to be paid to the federal government could be spread over a five-year period. I believe the action proposed by the hon. member would be much more effective if he would go to his Conservative confreres in the province of Ontario and persuade them to change the succession duty act so that succession duties in that province were paid over a five year period. This would be of much more benefit to his constituents and to mine than incorporating his suggestion within the Estate Tax Act of Canada.

I stated on May 6 when this question was raised by the hon. member for Brome-Missisquoi (Mr. Grafftey) that there had not been a great deal of evidence brought forward to the Department of National Revenue indicating that businesses had actually been disposed of because people had had to pay estate taxes. I have checked with the Department of National Revenue and am told that this is still the case; that people have not come forward and said, "Well, if we have to pay our estate taxes we will have to sell our business". I am sure that if people had had to dispose of their businesses in order to pay estate taxes they would have gone howling to the Department of National Revenue. However, I have checked and am told they just cannot find specific cases. As I have stated before, the problem has been considered for a good many years by the Department of National Revenue under the previous administration and the present one. The difficulty is to find evidence of hardship, for someone to present to them specific cases where this has occurred. Companies often change hands. In my experience as a chartered accountant I have found that businesses change hands as the main shareholder gets older, for a good many reasons. I might just indicate a few of the reasons why.

You often find that a business has developed because of the forceful management of one particular individual. This individual fears, as he gets older, that his heirs will not be able to carry on the business in the same forceful way, and he may turn around and sell the business. In addition, in the case of companies these days we find that some small business operations are making such a profit that serious income tax problems develop. They are operated as private companies, and we often find with regard to them that there is a build-up of retained earnings on which income taxes have not been paid. Provisions have been written into the Income Tax Act to try to deal with this particular problem. However, all the provisions which are contained in the Income Tax Act have not really created a situation whereby on the death of a businessman the money can be taken out of the business easily, or if he wanted to take the cash out during his lifetime this could not be done without paying very sizeable amounts of personal income tax.

I have found that many businesses are disposed of in order that the individual may realize a capital gain rather than having to continually face this income tax burden. To these people this is much more important than the succession duties burden on their death. As I have previously stated, and as I stated during the debate on May 6, the Minister of Finance (Mr. Gordon) and the Prime Minister (Mr. Pearson) have indicated that

there is to be consultation between the provinces of Canada and the federal government on tax matters. There has been mention of setting up a committee for this purpose, and personally I would be very much in favour of it. I believe estate taxes and succession duties should be one of the subjects to be discussed with the provinces at this time.

I also indicated on May 6 that it is extremely difficult for the federal government to make changes to the present Estate Tax Act because it affects the incomes of seven of the provinces to whom we rebate 75 per cent of the tax. Nevertheless I am very much in favour of consultations taking place, and I am sure they will take place and that the particular problem raised by the hon. member in his resolution will be discussed at that time.

Personally I do not think that any move to allow instalment payments should be limited to businesses but should apply to other assets as well. One speaks of businesses passing from the control of one group of individuals to another on the death of a major shareholder. However, on the death of individuals quite often in Canada one has to sell stocks, bonds and real estate. There are a good many assets which have to be realized, apart from the business assets of an individual. I believe that if such an extension of payment of death duties were made it could only be effectively made, I stress again, if the succession duty acts of Ontario, Quebec and British Columbia were changed, as well as the federal Estate Tax Act. I believe that such extension of payments would in equity have to apply to the assets of individuals such as stocks, bonds and real estate, instead of just business assets as proposed in this resolution.

The hon. member also raised the question of ownership passing to non-Canadians because of the estate tax problem. I hope I have convinced him that from this time onward such events in Ontario will not be because of the estate tax problem, but mainly because of the succession duty problem under the act passed and administered by the Conservative government of the province of Ontario. The hon. member stated that because of death duties businesses often fall into foreign hands. Personally I have not been able to find examples of this. I also checked with the Department of National Revenue and they could find no concrete example of this happening. I should like to point out to the hon. member that we on this side of the house are very interested in preserving and expanding Canadian ownership of business in this country. Indeed, I should like further to point out that the present government in spite of a good deal of criticism from members of the official opposition, has taken the first effective steps ever taken in this country to encourage the transfer of part of the ownership of foreign-owned companies in Canada to Canadians.

In conclusion, Mr. Speaker, I should like to sum up by saying that I believe the motion is worthy of consideration. I think the hon. member should send it off to the Conservative government in Toronto, so that that government will be willing to consider it with us when we sit down to discuss death duties. I also suggest that he send it to the governments of the provinces of Quebec and British Columbia, because 75 per cent of all death duties in these provinces are levied under provincial statutes. I think this matter is worth discussing, and in my own personal capacity I will do everything in my power to see that it is discussed when we sit down to discuss tax matters.

I have indicated that the motion, in order to be effective, requires provincial action in these provinces. We would like anyone who has evidence of businesses having to be sold because of death duties to submit such evidence to the Department of National Revenue so that when we sit down with provincial representatives who are levying most of the death duties we will be able to present them with this kind of evidence, perhaps provided to us by the hon. member, in order to further the case he has brought forward by this motion.

Mr. Hales: Mr. Speaker, I wonder whether I could ask the parliamentary secretary a question. There are strong possibilities that the province of Ontario may collect their succession duties on the instalment basis. If they go ahead and do this, would the parliamentary secretary be prepared to recommend to his government that they follow suit?

Mr. Benson: Let me say in answer to the hon. member that I checked no less recently than today, but found that no legislation to this effect has been introduced in the province of Ontario. We Liberals are certainly very much interested in having similar tax laws applied across the country. Indeed, when the Estate Tax Act was introduced, it was the hope that this might be the act which would be adopted across the country, whether we were to collect the tax and rebate it to

the provinces, or the provinces were to collect it themselves. This has not been the result, and there are certain differences between the federal Estate Tax Act and the succession duty acts of the provinces of Ontario, Quebec and British Columbia. But we are willing and anxious to have similar laws applied across the country and the government I am sure would be willing to discuss this matter when discussing death duties with the provinces.

Mr. Joseph Macaluso (Hamilton West): Mr. Speaker, I should like to commend the hon. member for Wellington South (Mr. Hales) for reintroducing this motion. I was not able to speak on it in December 1963 when it was first introduced, a fact which I regret, but my absence was due to illness. I have been interested for quite some time in the Estate Tax Act and in the old dominion succession duty act.

Being a lawyer by profession I certainly come into contact on many occasions, both in my own practice and the practice of our firm, with estate tax matters in which succession duties have played a very important part. The Estate Tax Act, as it now is, came into force on January 1 of 1959, I believe, replacing the old dominion succession duty act. It provided for payment by the executor of an estate of the succession duties levied by the Estate Tax Act within a period of six months. I also believe that in the present act if an application is made to the minister he has discretion, if a bond is posted, to extend payment of tax for another period of six months, making the period a year. The experience I have had is that on many occasions it is difficult to obtain a bond, and it is also difficult to obtain the exercise of the minister's discretion. I think any of the lawyers in the house will acknowledge that.

I am completely in favour of payments of succession duties in instalments, and I certainly think this notice of motion should be given serious consideration by the Minister of Finance (Mr. Gordon) and the government. I have been trying to urge such consideration and I commend the hon. member for Wellington South, as I say, for reintroducing the motion.

Whether or not there is actual loss of Canadian ownership or control to foreign ownership as a result of the payment of succession duties is at times questionable. I am sure there are businesses and firms who have sold out with the succession duty aspect in mind, not so much because of the payment of the taxes themselves. The hon. member for Wellington South quoted from the May 21 edition of the *Financial Post* concerning 143 firms which were acquired by foreign investors. I paid particular attention to this article and studied it very carefully, but there is nothing in it to lead one to believe that those acquisitions by foreign investors resulted from the payment of succession duties. The hon. member assumed that some of them may have been caused as the result of such payments, and perhaps they were; I wish I knew for sure, as perhaps do many of us. But there is a problem here.

In section 16 of the act, which deals with the minister's discretion, a problem arises with regard to the words "undue hardship or excessive sacrifice". If payment of succession duties is likely to result in undue hardship or excessive sacrifice, the minister may extend the time of payment. The Estate Tax Act is one of those acts which does not have a very comprehensive definition section. Perhaps this is because parliament did not want to define undue hardship or excessive sacrifice. This provision really leaves it to the minister's discretion as to what is undue hardship or excessive sacrifice. I am not one who is in favour of ministerial discretion, especially when it is left in such a vague position as it is left in section 16.

Here, Mr. Speaker, we have the words "undue hardship or excessive sacrifice" which really cover the particular situation the hon. member for Wellington South (Mr. Hales) wishes to have covered. I agree that the section is invoked very rarely; very rarely does the minister use this discretion. My own thinking on this matter is that perhaps the act should be amended by extending the period of six months to a period of one year during which the minister could exercise his discretion. Then, perhaps, there could be a better definition of the circumstances of undue hardship and excessive sacrifice. Certainly, many of our acts have very comprehensive definition sections, but this act does not. I say that this is one of the faults of this act, that it does not define, perhaps purposely, what these words mean. Perhaps there is security in vagueness, Mr. Speaker.

The instalment payment plan is a very interesting proposal, Mr. Speaker. We have this provision in our Income Tax Act, and I think it could be extended to the Estate Tax Act. However, as the parliamentary secretary pointed out, I think there is a problem in obtaining provincial consent to the provision for instalment payment. As the parliamentary secretary pointed out, the provinces of Ontario, Quebec and British Columbia have

their own succession duty acts. Other provinces do not and the federal government collects estate taxes and then remits them to these seven provinces. According to my research, there has to be consultation with the provinces of Ontario, Quebec and British Columbia as to whether they are prepared to make the same provision in their own acts.

I have read the debate on December 9 and the debate on May 6, 1964 with regard to the estates tax resolution when it was before this house. As a result of my own research and discussions with other lawyers eminent in estate matters, I have concluded that there is a problem in obtaining the agreement of the provinces to having the same provision in their own acts. If the provinces agree to this provision, then the federal government can also have it. I believe that the report of the Carter commission on taxation will probably come forward by the end of this year or perhaps sooner, as well as the reports of the various provincial royal commissions on taxation. I am sure these reports will contain recommendations with regard to the Estate Tax Act. Certainly, there is a great deal lacking in this act and it is not doing the job it was meant to do when it was enacted in 1959. I believe that when these reports come forward the Minister of Finance (Mr. Gordon) should consult with the provincial ministers in Ontario, Quebec and British Columbia, on the possibility of obtaining such an amendment as has been proposed by the hon. member for Wellington South. Certainly, I will do all I can to urge that this is done.

The parliamentary secretary has stated the minister will do this. The hon. member can be assured that I will do my best to see that he does do this. The other problem connected with section 16 is that it permits the minister to defer the payment of taxes in cases of undue hardship which may occur if payment is demanded too quickly. I believe that six months is too quick for any person, any individual or large corporation. I gathered from the remarks made by the hon. member for Wellington South that he would like to see succession duties eliminated. I agree, and so far as the federal government is concerned the revenue collected is so small, 1.5 per cent of our national revenue, that it would not have a great effect. However, I agree also with the hon. member that we probably will never see this done. Certainly, we should try to alleviate the burden that is imposed on many large corporations and many family businesses connected with the payment of succession duties within the six month period. This certainly is a hardship, not only on the large corporations but on the small business firms.

I have a recollection of one case in which the widow of the deceased proprietor wished to carry on the business. She was unable to do so because her husband had not provided means whereby the succession duties could be paid. She was unable to carry on the business because of this demand for the payment of succession duties. An appeal was launched under section 16, but she was not able to obtain the discretion of the minister, so there was hardship involved. I should like to suggest, if it would be possible to do so without consultation with the provinces, that the deferment period be extended to 12 months rather than six months. Then, perhaps if a bond were posted it could be extended another six months, making it 18 months. If the deferment period were 12 months, then many people would not be forced to sell short at a time of low capital value or forced to consider refinancing.

I do not believe the industrial development bank meets the situation when it comes to the payment of succession duties. The industrial development bank, in the functions it exercises, is lacking because there is too much red tape, and at times the delay is too lengthy in processing the loan. By the time the bank turns down your application the six month period has expired. I should like to see action taken, therefore, to extend the deferment period for at least 12 months. In addition, I should like to see some definition of what is undue hardship and excessive sacrifice. I know there are others who wish to speak in this debate, so I will give up my time to them.

Mr. M. J. Moreau (York-Scarborough): I did not intend to speak in this debate today until I heard the parliamentary secretary say he was looking for evidence that there was a problem in this area. I thought perhaps I might relate for the benefit of the house one example, at any rate, without mentioning any names, which was brought to my attention within the last six months. I certainly assure the parliamentary secretary that I will be giving him all the details of this problem before too long.

I should like to commend the hon. member for Wellington South (Mr. Hales) for bringing the problem before the house. I must agree with the parliamentary secretary, however, that it is one which properly belongs before

the provincial legislature. I urge the hon. member to apply all the pressure he can on his Conservative colleagues to have this done in the province of Ontario.

Mr. Hales: Do not forget Quebec, where you have Liberal friends.

Mr. Moreau: Being an Ontario member and realizing that the hon. member for Wellington South is also an Ontario member, I hope we can collaborate to see what we can do in our own province.

I do not generally support provisions containing ministerial discretions. However, I believe we can make a better case for it when it comes to the question of deferring tax payments than in other applications, such as the distasteful class or kind legislation which was before the house in recent times. I feel that perhaps the hon. member does have a point on the question of tax deferment in giving the minister more discretion. Referring to the problem of the evidence which I have to offer the parliamentary secretary, I may say that a short time ago I was approached by the president and founder of a new, internationally known food processing firm which operates within my riding. This gentleman came to Canada as an immigrant about 20 years ago and got into the food processing business. He has now developed a considerable export business, something for which I am sure we would all commend him. He now has an enterprise worth several million dollars which is growing very rapidly with the result that the firm is continually short of cash.

Recently he has had to face up to the problem of possibly selling the enterprise to one of a number of American concerns who are bidding for it. The firm is a highly reputable one and its products are rapidly gaining a reputation all over the world. The firm label has become very valuable and a number of large American firms have been putting pressure on him to sell his enterprise to them. They have been using, very successfully, arguments related to our estate tax laws, and have pointed out to him that with the way the company is growing and in view of the shortage of liquid assets his family would have to make a forced sale if something should happen to him.

He said to me: "Mr. Moreau, I came to this country and it has been very good to me. I want to commend the Minister of Finance (Mr. Gordon) for the efforts he is trying to make to keep control of our companies here in Canada; but what can I do? There is only one thing I can do. My tax advisers have told me that if I do not want to sell I have to form a public company." He said: "This is a company that my family and I have developed over the past 20 years and we are not particularly anxious to go public. However, I must. I have followed the advice and we are now getting out a stock issue."

The parliamentary secretary says that the department does not have any evidence of forced sales, but I suggest to him that the problem is a real one, one which a number of firms are meeting before they are actually faced with the situation. They are doing so in two ways, either by selling the enterprise to an American operator or by forming a public company in Canada and thus jeopardizing control of the company which the enterprise of the family has created.

These people feel strongly that the situation is unjust and I must say there is a great deal of merit in the argument put forward to me. Again I should like to urge the hon. member for Wellington South (Mr. Hales) to do what he can to acquaint the provincial authorities in Ontario with the problem, because it really lies there. I hope we will see changes in our estate tax laws very soon because I certainly agree with the hon. member that this is a very real problem, particularly for smaller family firms in Canada.

Mr. A. B. Patterson (Fraser Valley): Mr. Speaker, without being charged with talking out this motion I should like to make several observations with respect to it. I did not hear the comment just made but I guess there was not much to it. The hon. member for Wellington South (Mr. Hales), as he pointed out, has introduced this motion again this session, but I would say that the points he has put forward and emphasized seem to be very important and logical. It seems that these days we are living on the instalment plan. We are carrying on our lives on the instalment plan and we may as well continue this in the estate tax field. Therefore I do not think there is anything remarkable or unique in this suggestion.

I believe that the suggestions made by the hon. member would be of real benefit to many who are faced with the task of trying to meet these responsibilities and still maintain the business, or whatever the asset may be. The argument has been raised that this matter is a provincial responsibility because of the fact that the provinces of Ontario, Quebec and

British Columbia receive 75 per cent of succession duties. I do not know why British Columbia is always tacked on the end. I would much prefer that members would refer to British Columbia and then come farther east, but I have noticed that the order is always Ontario, Quebec and British Columbia. However, that is beside the point.

This whole matter could be resolved, as far as the federal administration is concerned, by turning over to the provinces 100 per cent of these taxes. Then we would not have to be concerned here about passing legislation complementing provincial legislation. We could get rid of the whole business by letting the provinces have 100 per cent of estate taxes.

I rose to support the motion that has been presented. I believe there are a great many other amendments that should be made in estate tax legislation, but the ones suggested today could be brought in without too much difficulty and would benefit a great number of people.

Mr. J. J. Greene (Renfrew South): Mr. Speaker, first of all I would commend the hon. member who introduced the motion. I would also indicate to him that he is in very select company in making this suggestion because the same or a similar suggestion has been put forward by the university women's club, the business and professional women's club and the women's institutes in various parts of the great riding of Renfrew South. Thus the hon. member is certainly in very select company when he makes this suggestion.

I would point out to the hon. member, however, that his motion refers specifically to family businesses and I think it envisages holdings of considerable size. Again, I think we should commend not only the Minister of Finance (Mr. Gordon) but also his parliamentary secretary, who has been rather humble in taking praise in this regard, because between them they have brought before the house very powerful suggestions whereby Canadian business entities may be preserved.

On the question of succession duties I suggest that the right to pay over a period of years should be given not only to large family businesses, as the resolution appears to envisage, but particularly to the smaller estates of more humble persons, such as farm people who are subject to these duties. They should have the right to commute them, just as much as larger business enterprises.

The Acting Speaker (Mr. Batten): Order. The hour for the consideration of private members' business has expired.

BUSINESS OF THE HOUSE

Mr. Churchill: Mr. Speaker, I would ask the house leader to let us know what is in front of us for the next few days.

Mr. Favreau: Mr. Speaker, we intend to complete the debate on the committee stage of the bill concerning farm credit, which we hope to finish tomorrow. After that we intend to proceed with interim supply. If there is time left on Friday we will proceed with the third reading of Bill No. C-90, to amend the National Defence Act, which has now come back from the committee.

Mr. Churchill: Not third reading; it will be in committee of the whole house.

Mr. Favreau: Yes, of course. We will take the committee stage and then hope to proceed with third reading. On Monday we will begin the debate on the flag resolution.

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

HOUSE OF COMMONS

Thursday, June 11, 1964

The house met at 2.30 p.m.

EXTERNAL AFFAIRS

HUNGARY—AGREEMENTS RESPECTING TRADE, EXCHANGE OF DIPLOMATIC MISSIONS, ETC.

Hon. Paul Martin (Secretary of State for External Affairs): Mr. Speaker, representatives of the governments of Canada and the Hungarian People's Republic have held a number of meetings in Ottawa between May 20 and June 9 to discuss problems of common interest in the fields of trade, financial claims, consular matters and diplomatic relations.

In addition to an agreement on trade on which my colleague the Minister of Trade and Commerce will be making a statement, we have also agreed to an exchange of diplomatic missions with Hungary as soon as convenient to each party.

We have reached agreement with the Hungarian government to negotiate at an early date a settlement of outstanding financial claims between the two countries. I shall shortly be making an announcement of the type of claims which might be eligible for consideration under this agreement.

Finally, Mr. Speaker, we have reached an understanding with the Hungarian government on a number of consular matters which will, among other things, clarify the position of Canadian citizens, including those of Hungarian origin, who may wish to travel in Hungary.

I propose now, Mr. Speaker, to table the letters I have exchanged today with the Hungarian vice minister for foreign affairs covering these various subjects.

Hon. Mitchell Sharp (Minister of Trade and Commerce): Mr. Speaker, the three year trade agreement signed this morning between Canada and the Hungarian People's Republic is the first such agreement between the two countries in the post-war period.

The agreement is based on an exchange of most favoured nation treatment. At the same time Hungary has committed itself to purchase Canadian wheat and other goods to a total value of $24 million over the period of the agreement. I would draw the attention of the house to the mixed nature of this purchase commitment, marking a departure from other recent agreements. Since Hungary itself is normally an exporter of wheat, that portion of its commitment involving wheat is to amount to 250,000 metric tons, a somewhat smaller quantity than has been involved in recent purchases by other countries. Hungary has the choice of taking one half of this amount in the form of feed barley. The remainder of the purchase commitment will be taken up by Hungary in the form of Canadian goods of its choice. These goods are not specified, but it is hoped that on the basis of past Hungarian interest, new and continuing markets will be opened up for a wide range of Canadian goods.

In addition, the agreements signed today provide that a Hungarian trade office may be opened in Canada and a Canadian trade office may be opened in Hungary for the purpose of market exploration and trade promotion. Both governments have expressed the wish that through these agreements trade between Canada and Hungary may be expanded on a mutually satisfactory basis.

The establishment of trade relations with Hungary represents yet another step in the development of closer trade links between Canada and the countries of eastern Europe. In recent years our long standing trade relations with Poland and Czechoslovakia have been further strengthened through our sales of wheat to these countries. Poland is currently discussing in the GATT the basis of its participation in the Kennedy round, and Canada has expressed support for this initiative. Our trade agreement with the Soviet union signed in 1956 has been twice renewed, and the first trade agreement between Canada and Bulgaria was concluded last year. I am sure that our new trade agreement with Hungary will make a further valuable contribution to the expansion of Canadian trade.

With the permission of the house I should like to table a copy of the trade agreement and other correspondence exchanged between the two governments.

Mr. Speaker: Does the house give consent to the tabling of these documents?

Some hon. Members: Agreed.

[*Later:*]

On the orders of the day:

Mr. Harold E. Winch (Vancouver East): I should like to direct a question to the Minister of Trade and Commerce in view of the statement he made concerning the trade agreement between Canada and Hungary. He outlined the major exports to Hungary under the agreement, and would he like to tell us now what are the major imports into Canada from Hungary?

Hon. Mitchell Sharp (Minister of Trade and Commerce): The only concession made by Canada under this agreement is to accord most favoured nation treatment to goods from Hungary.

INCOME TAX

PROPOSED REVISION OF CANADA-UNITED KINGDOM AGREEMENT

Hon. Walter L. Gordon (Minister of Finance): Mr. Speaker, I thought I should announce briefly to the house and to the public that it is the intention of the government to seek the revision at an early date of the Canada-United Kingdom income tax agreement. An announcement that this agreement would be revised was first made by the then minister of finance in December, 1960, following his proposal that certain special rates of non-resident withholding tax on dividends be withdrawn and that a rate of 15 per cent thereafter be imposed on all dividends paid to non-residents. The intention to revise certain international income tax agreements was also stated in the budget speech of 1963.

I have recently written to the chancellor of the exchequer in the United Kingdom suggesting that the discussions which were commenced in 1961 concerning the Canada-United Kingdom income tax agreement be reopened as soon as possible. If any hon. members or other persons or business firms wish to submit suggestions concerning the revision of this treaty, I would be glad to receive them during the next several weeks.

CANADIAN NATIONAL RAILWAYS

PROVISION FOR CAPITAL EXPENDITURES, ISSUE OF SECURITIES, ETC.

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

That it is expedient to bring in a measure to authorize the Canadian National Railway Company to make capital expenditures and to supply the financial requirements of affiliated companies in the year 1964, not exceeding $155,000,000 and to make certain capital expenditures and enter into certain contracts prior to July 1, 1965; to provide for the financial requirements of Trans-Canada Air Lines in an amount not exceeding $5,000,000, either by means of loans from Her Majesty to the National Company or by means of issues of securities of the National Company, authorized and guaranteed as to interest and principal by Her Majesty, the cash proceeds by either method to be used only for the financial requirements of Trans-Canada Air Lines, the capital needs of the national company itself being met entirely through the sale of preferred stock to Her Majesty and from reserves for depreciation and debt discount; to authorize Her Majesty to continue to purchase until December 31, 1964, Canadian National Company 4 per cent preferred stock in an annual amount not exceeding 3 per cent of the gross revenues of the company; to extend until December 31, 1964, the moratorium on interest on the loan of $100,000,000 to the company authorized by the Canadian National Railways Capital Revision Act of 1952; to authorize Her Majesty to make loans to the Canadian National Railway Company and Trans-Canada Air Lines to meet deficiences in operating revenues to June 30, 1965, any such loans to be repaid from revenues of the railway company and Trans-Canada Air Lines or, if revenues prove insufficient, by subsequent deficit appropriation by parliament; and to raise the limit on the Canadian National Railway Company's authority to refund matured, maturing and callable securities from the present level of $480,000,000 to $680,000,000.

Motion agreed to.

FINANCE

REPRESENTATIONS RESPECTING REMOVAL OF SALES TAX ON DRUGS

On the orders of the day:

Right Hon. J. G. Diefenbaker (Leader of the Opposition): Mr. Speaker, may I direct a question to the Minister of Finance and ask whether representations have been received by him for the removal of the 11 per cent sales tax on most drugs on which it is levied. Also, was such a resolution brought to his attention from the recent meeting of the Ontario pharmacists' association, and will the minister say, in view of the fact that this tax actually rests particularly on those of low income, whether consideration will be given by the government to the removal of what is in effect a tax on sickness?

Hon. Walter L. Gordon (Minister of Finance): Mr. Speaker, no representations have been made to me. They may have come to my department during the last day or so, but not to my knowledge.

In answering my right hon. friend's question I would point out that there has never been any general exemption from sales taxes for drugs. This particular tax to which he refers has been in effect for many years. I would also like to emphasize that it is a general tax and not a tax that is specifically imposed on the sale of drugs.

Mr. Rhéaume: It is on building materials too.

Mr. Gordon: It applies to everything, like clothing, shoes—

Mr. Rhéaume: Building materials.

Mr. Gordon: The Leader of the Opposition asked whether consideration would be given to the exemption of this tax from drugs, and I would be very glad to give that consideration prior to the next budget.

[*Translation*]

Mr. Réal Caouette (Villeneuve): A supplementary question, Mr. Speaker. The minister just said that this tax has been in effect for many years. Now, could the minister tell us whether it was in effect when the Leader of the Opposition was prime minister of Canada?

Mr. Habel: Certainly.

[*Text*]

Mr. Diefenbaker: Nice co-operation.

Mr. Gordon: Yes, Mr. Speaker.

Mr. Diefenbaker: I asked the minister particularly whether there has been a request for the removal of this tax. The press said there had been. I would point out that under his government he raised the amount of the sales tax.

Mr. Gordon: I answered the first question, that to my knowledge there have been no representations. The right hon. gentleman is mistaken in his understanding of when this tax was increased.

EXTERNAL AFFAIRS

SOUTH AFRICA—CONVICTIONS AND SENTENCES UNDER APARTHEID LAWS

On the orders of the day:

Mr. T. C. Douglas (Burnaby-Coquitlam): Mr. Speaker, may I direct a question to the Prime Minister. It has to do with the fact that Nelson Mandela and seven of his associates have been found guilty of contravening the apartheid laws of South Africa. They are to be sentenced tomorrow, and the death penalty could be imposed.

Inquiries of the Ministry

I want to ask the Prime Minister if he will make vigorous representations to the government of South Africa urging that they exercise clemency in this case, having regard to the fact that if these men are executed it will shock the conscience of the civilized world and sow the seeds of a terrible day of reckoning in Africa.

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, I understand that while eight of the defendants in the Rivonia trial, to which my hon. friend has referred, have been found guilty on charges of sabotage and conspiracy, the sentences, as has been indicated, have not yet been pronounced. When they are pronounced they will be subject to appeal. While the matter is still sub judice it would, I believe, be improper for the government to make any public statement on the verdict or on the possible sentences.

I wish to assure the house, however, that the government is following this matter with grave concern in the light of the resolution passed by the security council of the United Nations last Tuesday. If circumstances make it desirable the government, after the appeal has been heard, will take whatever action it can to assist in avoiding the result to which my hon. friend has referred.

Mr. D. V. Pugh (Okanagan-Boundary): A supplementary question, Mr. Speaker. Would the Prime Minister advise the house whether representations have been made to Canada relative to improper incarceration under our immigration law and, if so, what countries have done so?

Mr. Pearson: To my knowledge, Mr. Speaker, no such representations have been made, but I will be very glad to look into the matter.

NATO—BILINGUAL QUALIFICATIONS OF CANADIAN DEPUTY SECRETARY GENERAL

On the orders of the day:

[*Translation*]

Mr. Gilles Grégoire (Lapointe): Mr. Speaker, I should like to direct a question to the Secretary of State for External Affairs concerning bilingualism in his department. I think the minister is highly qualified in that field, since he is himself perfectly bilingual.

Could he tell us whether Mr. Roberts, who was loaned to NATO to act as undersecretary, is bilingual and whether such a qualification was required by the North Atlantic Treaty Organization?

Hon. Paul Martin (Secretary of State for External Affairs): I understand he is bilingual.

[*Text*]

RECOGNITION OF QUEBEC DELEGATION IN PARIS

On the orders of the day:

[*Translation*]

Mr. Maurice Côté (Chicoutimi): Mr. Speaker, I should like to direct a question to the Secretary of State for External Affairs.

Is it true that the federal government has been obstinately refusing for two years to grant the statute of general consulate to the Quebec delegation in Paris, as reported in the press and apparently confirmed by the premier of the province of Quebec?

Hon. Paul Martin (Secretary of State for External Affairs): Mr. Speaker, I feel this matter should be given serious consideration, and that is what I intend to do.

[*Text*]

IRELAND—APPROVAL OF DEMAND FOR UNIFICATION

On the orders of the day:

[*Translation*]

Mr. Marcel Lessard (Lake St. John): Mr. Speaker, I would like to direct a question to the Prime Minister about last week's visit of the President of Ireland, whom everyone had the pleasure to welcome.

Can the Prime Minister tell the house if the present government intends to support Mr. de Valera's claims to the British government for the reunification of the two Irelands, since there are over two million Irish people in Canada? I feel that we should favour this unification as much as that of Berlin or Germany.

[*Text*]

Mr. Speaker: It does strike me that though this question is most interesting, and even very important, it would take considerable time for a considered answer to be given.

CANADIAN BROADCASTING CORPORATION

WITHDRAWAL OF FILM RESPECTING PRIME MINISTER

On the orders of the day:

Mr. D. M. Fisher (Port Arthur): Mr. Speaker, I want to ask the Prime Minister a question and I should like to preface it by saying that I am asking him as Prime Minister and not as an individual. I should like to ask the Prime Minister whether he would like to have or would prefer to have the controversial film "Mr. Pearson" shown to the national television audience.

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, I am sure the hon. gentleman has asked me that question as a member of parliament and not as a journalist. It is not a matter of concern to me. Whatever decision the C.B.C. makes, it is their decision and I will be very glad indeed to accept it.

Mr. Fisher: I should like to ask a supplementary question of the Secretary of State. I know you will not mind, Mr. Speaker, if I express my appreciation that the Prime Minister himself can make the distinction. Would the Secretary of State ask the C.B.C. whether they are now prepared to review their original decision not to show this film, and to look at the situation again?

Hon. Maurice Lamontagne (Secretary of State): I will be glad to do so, Mr. Speaker.

Right Hon. J. G. Diefenbaker (Leader of the Opposition): A supplementary question, Mr. Speaker. Just for the sake of information I should like to ask the minister whether the five ministers and their ancillary troops, who previewed the film before anyone else had an opportunity to see it, asked for a repetition of the showing five times because of the enjoyment it gave them; and why are the Canadian people to be denied the enjoyment that caused these cabinet ministers to ask for this quinquennial repetition?

Mr. Lamontagne: I am not aware of this, Mr. Speaker. All I can do is repeat what I said yesterday. As far as I am concerned, I did not see the film.

Mr. R. Gordon L. Fairweather (Royal): A supplementary question, Mr. Speaker. In relation to the restricted classification given to this film by persons unknown, will the minister consider the adage "You've read the book, now you should see the movie", and let M.P.'s in on the delights of this surreptitious film?

Mr. Lamontagne: Mr. Speaker, I answered that question last week on behalf of the C.B.C.

[*Later:*]

Mr. H. W. Herridge (Kootenay West): I wish to address a question to the Secretary of State. Has the British Broadcasting Corporation made an offer to the Canadian

Broadcasting Corporation for the purchase of the now internationally known program "The Prime Minister"?

Mr. Speaker: I do not see any particularly pressing need for an immediate answer this afternoon. Would the hon. member put this question on the order paper.

INQUIRY AS TO COMPLETION OF FRENCH NETWORK

On the orders of the day:

[*Translation*]

Mr. Auguste Choquette (Lotbinière): Mr. Speaker, may I put a question to the Secretary of State?

Could the minister tell the house whether the C.B.C. will soon be ready to extend the French radio network from coast to coast?

Hon. Maurice Lamontagne (Secretary of State): Mr. Speaker, I think that this is still the C.B.C.'s intention. I must add however that this very important question will no doubt be fully looked into by the advisory committee on broadcasting established a few weeks ago.

[*Text*]

AIRPORTS

MALTON—LIMOUSINE AND TAXI SERVICE BY UNLICENSED COMPANY

On the orders of the day:

Mr. Ralph Cowan (York-Humber): Mr. Speaker, I have a question for the Minister of Transport. Can he advise this house why in 1961 the Department of Transport granted an exclusive privilege to Air Terminal Transport Limited to operate a limousine and taxi service at Malton airport, when the company does not hold a taxi licence from either metropolitan Toronto or the township of Toronto in Peel county?

Mr. Speaker: I am sure the hon. member would be delighted to put this question on the order paper.

Mr. Cowan: I give notice that I should like this question debated at ten o'clock.

INQUIRY OF THE MINISTRY

On the orders of the day:

Mr. Raymond Langlois (Mégantic): I have a question which is of concern to all members in this house, Mr. Speaker. I should like the Prime Minister to inform the house at what stage the negotiations are between the Liberals and the N.D.P., and what progress is being made.

Inquiries of the Ministry

TRANSPORT

CONTINUED SUSPENSION OF INCREASES IN EXPORT GRAIN RATES

On the orders of the day:

Mr. Thomas M. Bell (Saint John-Albert): I have a question for the Minister of Transport. Has the hon. gentleman received a communication from the maritime transportation commission requesting a further suspension of the proposed increases in export rail rates on grain after June 30? If so, when can we expect an answer?

Hon. J. W. Pickersgill (Minister of Transport): I should like to make a careful reply to that question, and I hope I can do so tomorrow.

PENSIONS

CANADA PLAN—REQUEST FOR PREPARATION OF WHITE PAPER

On the orders of the day:

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, I wish to address a question to the Prime Minister. Now that we have some of the details of the revised Canada pension plan through the medium of the Prime Minister's letter to the provincial premiers, can we, as members of parliament, be given more of these details either by way of a white paper or some other document which could be distributed among all members?

Right Hon. L. B. Pearson (Prime Minister): Yes, we hope to have a white paper ready very shortly. It was not possible to do this until we had had an exchange with the provinces.

Mr. Knowles: A supplementary question, and I put it as a question rather than as a point of order at this time. Does the Prime Minister not think he should have informed the house yesterday that he was tabling the letter to the premiers? Standing order 40 hardly covers putting something on the table about which we know nothing until we see reports in the press.

Mr. Pearson: I am sorry if the procedure was not satisfactory. In future I agree that if we are tabling important communications such as these it would be well to inform the house the day they are tabled.

Mr. Knowles: Hear, hear.

Inquiries of the Ministry

PUBLICATIONS

REPRESENTATIONS RESPECTING IMPLEMENTATION OF ROYAL COMMISSION REPORT

On the orders of the day:

Right Hon. J. G. Diefenbaker (Leader of the Opposition): I wish to ask the Prime Minister whether representations have been received by him or by other members of the government within the last few days from representatives of various publications in our country to the effect that unless early action is taken upon the O'Leary report, two very important publications—I will not identify them unless asked to do so—in the city of Toronto will find themselves in a position where they will face the danger of having to close up.

Right Hon. L. B. Pearson (Prime Minister): I have received no such representations recently. I will make inquiries of my colleagues and if any have been received I will inform the house tomorrow.

Mr. Diefenbaker: Can the Prime Minister say whether, in view of the pressing need for action in this regard, this is one matter which deserves priority?

Mr. Pearson: This is certainly an important matter and we hope to bring it before the house before we adjourn—if we are able to adjourn—for any summer recess.

POST OFFICE DEPARTMENT

POSTAGE NOT REQUIRED ON MAIL TO MEMBERS OF PARLIAMENT

On the orders of the day:

Mr. P. V. Noble (Grey North): I should like to direct this question to the Postmaster General, of which I have given him notice. Are all rural mail carriers informed that mail addressed to members of parliament at Ottawa does not require postage?

Hon. J. R. Nicholson (Postmaster General): I thank the hon. gentleman for having given notice of this question to my office. Unfortunately I did not receive it until the bell was ringing and I was on my way to the chamber, so I have not had an opportunity to make full inquiries. However, I can assure the hon. member and other members of the house that if rural mail carriers have not been so advised they will be advised immediately.

Mr. Raymond Langlois (Mégantic): I wish to address a supplementary question to the Secretary of State. Can the Secretary of State assure the house that the austerity program affecting the office of papers and circulars is over so that we may get the necessary paper on which to write to our constituents whenever we wish?

ADMINISTRATION OF JUSTICE

CIRCULATION OF "HATE" LITERATURE AGAINST JEWS AND NEGROES

On the orders of the day:

Mr. C. S. Smallwood (Battle River-Camrose): I have a question for the Minister of Justice. Is the minister aware of the recent flood of hate literature in the capital as well as in other centres in Canada directed against Jews and negroes, and the implication of the connection with the Social Credit party through one Neil Carmichael, the approved Social Credit candidate in the Toronto-St. Paul riding, as reported by C.F.R.A.'s parliamentary press correspondent?

Hon. Guy Favreau (Minister of Justice): I am not aware of the latest literature specifically referred to in the last part of the question. I will look into it.

[*Translation*]

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

Can the Minister of Justice tell us whether he has inquired into the matter of the literature of Reverend Ewin which was distributed through the royal mail, as per copy sent to him the other day? If so, what are the results of that inquiry?

Mr. Favreau: Mr. Speaker, I wish to thank the hon. member for sending me copy of that text the other day but, as I said in the answer given at that time, I have passed it on to the officials of my department and I am unable to supply him with an answer today.

[*Text*]

DOMINION-PROVINCIAL RELATIONS

PROVINCIAL PARTICIPATION IN FISCAL AND MONETARY POLICIES

On the orders of the day:

[*Translation*]

Mr. L. J. Pigeon (Joliette-L'Assomption-Montcalm): Mr. Speaker, may I direct a question to the Minister of Finance?

Does the minister intend to comply with the request made by Mr. Kierans that the

provinces be consulted in the future when he will propose changes to the Canadian monetary policy?

[*Text*]

Hon. Walter L. Gordon (Minister of Finance): I had a very interesting and friendly conversation with Hon. Mr. Kierans a week or two ago, I think it was. He assured me he was just delighted with the way everything is going.

Mr. G. W. Baldwin (Peace River): A supplementary question to the Minister of Finance. Would he consider asking his good friend Mr. Kierans if he and his colleagues in the government of Quebec would be prepared to consult with the government of Canada and with the government of the province of Alberta before passing legislation or dealing with matters which could have an adverse effect on Canadians outside of Quebec?

Mr. Speaker: Undoubtedly this question is an interesting one, but it does raise a matter of policy far too large for an answer to be expected on orders of the day.

CANADIAN FLAG

INQUIRIES RESPECTING CONSIDERATION OF NEW DESIGN

On the orders of the day:

Mr. L. J. Pigeon (Joliette-L'Assomption-Montcalm): I have a question for the Prime Minister. If there is a division of the flag resolution by a decision of the house, will the Prime Minister consider that to be a question of confidence in the government?

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, my hon. friend should wait until the resolution is before the house.

[*Later:*]

Mr. Reid Scott (Danforth): I wish to ask the Prime Minister if he is ready now to answer my question of yesterday concerning a change in the design of the distinctive Canadian flag, and whether this will be considered a matter of confidence.

Mr. Pearson: I said I would answer this question subsequently, and "subsequently" has not yet arrived.

Mr. Knowles: The Liberals are never in a hurry.

Mr. Scott: Can the Prime Minister tell us whether today is the day the proposed new Canadian flag will be flying in front of the parliament buildings; or will that day be "subsequent", too?

Mr. Pearson: Following a request made by certain hon. members, it is intended to fly the flag referred to in the resolution tomorrow evening, I think from 5 p.m. until flag lowering time.

Mr. Scott: In view of the increasing national support for a flag with a single maple leaf, would the Prime Minister reconsider his announcement the other day that a flag of this design might not also be exhibited for public view?

Mr. Pearson: I do not have a copy of that design.

Hon. Gordon Churchill (Winnipeg South Centre): I have a supplementary question for the Prime Minister. Now that the right hon. gentleman has announced his intention of flying an unauthorized piece of bunting over the parliamentary grounds, is this being done under the authority of the Prime Minister or by order in council?

Mr. Pearson: Mr. Speaker, it is being done at the request of certain members of parliament made in this house, replied to by me and not objected to by my hon. friend.

Some hon. Members: Hear, hear.

Right Hon. J. G. Diefenbaker (Leader of the Opposition): Actually, Mr. Speaker, we understand the fine spirit of co-operation between the two parties, but I ask the Prime Minister this. What possible justification is there for flying this flag? Has there been an order in council passed? If not, it cannot be justified; that is all.

Mr. Pearson: Mr. Speaker, there is the same justification as for making available to members a pictorial representation when the resolution was introduced, which my hon. friends were very glad indeed to receive to assist them in their consideration of this resolution.

Mr. Diefenbaker: What about answering the question as to what justification the Prime Minister has to fly this on parliament hill before it has been accepted? Has he arrived at a point where he is the boss and determines these questions, I would like to know, without order in council?

Mr. George Muir (Lisgar): Mr. Speaker, I have a question of privilege. The Prime Minister said that no objection had been taken in the house to flying this unauthorized flag on parliament hill. I want to voice an objection personally right now that no unauthorized flag should be flown on parliament hill.

Some hon. Members: Hear, hear.

Mr. Pearson: It is, of course, well known that a question of privilege should be raised at the time the matter arises in the House of Commons. This matter arose last week and no one raised a question of privilege or an objection at that time.

Mr. Muir (Lisgar): Mr. Speaker, since the Prime Minister has taken this attitude, I suggest that every one of the 3,000 flags which have been presented to the government be flown for 15 minutes every day until they have all been flown.

Mr. T. C. Douglas (Burnaby-Coquitlam): A supplementary question, Mr. Speaker. Since the Prime Minister has said it is only proper that members should have an opportunity to see the flag the government has in mind displayed on a flagstaff, may I ask him why the government should have any monopoly in this regard, and why other political parties which may have different designs they wish to display are not to be given an opportunity to do so.

Mr. Pearson: The government has no claim to any monopoly in this regard, Mr. Speaker. If my hon. friend wishes to fly a design at any place in any circumstances, he is at liberty to do so. But the government has taken its responsibility of putting a resolution on the order paper submitting to the House of Commons a flag of a certain design. Some hon. members thought it would aid in the consideration of that design, submitted by the government for parliamentary decision, to have the flag flying so they could see how that particular design looks.

Mr. Douglas: Mr. Speaker, the Prime Minister is quite right, but all I am asking him is this. Since there are a number of flagpoles, why are the other political parties which have other designs not to be allowed to display them?

Mr. Diefenbaker: I return to this matter, Mr. Speaker. The Prime Minister tries to laugh it off, but I ask him what possible justification is there, in view of the order in council of 1945 respecting the flying of the red ensign, to fly what is at the present moment the Prime Minister's personal choice, and to fly it on parliament hill? Tell me what vestige of parliamentary government still remains, with the Prime Minister exercising such a right?

Mr. Pearson: This is still, surely, a free country, and if members of the House of Commons request the showing of a design

which is referred to in a resolution before the house, surely it is a matter of courtesy for the government to accede to that request.

Mr. Churchill: Liberal propaganda.

Mr. G. L. Chatterton (Esquimalt-Saanich): Mr. Speaker, if the Prime Minister received a request from a larger number of members not to fly the new flag, would the Prime Minister give equal consideration to that request?

Mr. Churchill: Answer.

[*Translation*]

Mr. Gilles Grégoire (Lapointe): Mr. Speaker, I should like to direct a supplementary question to the Prime Minister. Could he have put up, in front of the parliament buildings, all the poles that we see on United Nations day? By so doing, we could fly about 85 or 90 flags and allow the members who so desire to fly a flag of their own choice and to look at them one after the other.

[*Text*]

Mr. D. V. Pugh (Okanagan Boundary): I have a supplementary question for the Prime Minister, Mr. Speaker. Now that the Prime Minister has acceded to the request of members of parliament to fly the flag on parliament hill—one member or more; it doesn't matter—would he now accede to the request of the member for Okanagan Boundary to have his latest moving picture shown in the house?

Some hon. Members: Oh, oh.

Mr. Diefenbaker: There's a chance to get an Oscar.

[*Translation*]

Mr. Gérard Chapdelaine (Sherbrooke): Mr. Speaker, I should like to direct a supplementary question to the right hon. Prime Minister. Does he not feel that in flying the new national flag the Leader of the Opposition (Mr. Diefenbaker) will be convinced and will love it?

[*Text*]

Mr. Diefenbaker: Mr. Speaker, lest that some time be regarded as a question unanswered, may I say no; it looks too much like a trade mark.

Some hon. Members: Oh, oh.

Mr. Pigeon: Two nations; two flags.

Mr. Speaker: There are two hon. members who wish to ask questions. The first is the hon. member for Danforth and the second is the hon. member for Churchill.

Mr. Scott: Mr. Speaker, may I ask the Prime Minister whether his justification for flying the proposed flag is that by reason of the resolution having been presented, that particular flag is before the house for adjudication?

Mr. Speaker: Order, please. This question is clearly out of order.

Mr. Robert Simpson (Churchill): Mr. Speaker, I have a supplementary question. I should like to ask the Prime Minister whether he could inform us of the exact location at which this flag will be flown. Which flagpole on parliament hill will be carrying this flag?

Mr. Pearson: On a suitable occasion, Mr. Speaker, and I think on a special flagpole erected for the occasion.

Mr. Churchill: Retreat again.

Mr. Diefenbaker: Backing up again.

Mr. Harold E. Winch (Vancouver East): Mr. Speaker, I rise on a question of privilege. On this question I rise alone, on my own responsibility. I want to say, sir, that sincere and emotional as all are in this House of Commons, with questions on the flag being asked every day on orders of the day, though we are at a point where a date is set for a discussion of the resolution, the way we—I say "we" and I include myself—are now carrying on in my estimation is bringing the institution of parliament into disrespect. Can we not get on with the business and deal with the motion concerning the flag when it comes before the house?

Some hon. Members: Hear, hear.

Mr. A. D. Hales (Wellington South): Mr. Speaker, in speaking to the question of privilege raised by my hon. friend I suggest to Your Honour that the question in point is whether or not this new proposed flag should be flown on government property. I suggest to the right hon. Prime Minister that as long as the order in council is on the statute books no other flag but the Canadian red ensign should be flown on government property—

Some hon. Members: Order.

Mr. Hales: —and he has no right to fly this flag on government property.

Some hon. Members: Hear, hear.

Mr. R. W. Prittie (Burnaby-Richmond): Mr. Speaker, notwithstanding the remarks of my hon. colleague from Vancouver East I think I have a legitimate question on the flag. The point has been made that only the red ensign, which is authorized, be flown. The union jack is mentioned in the resolution. Can the Prime Minister tell me whether there is any authorization for flying that flag on the hill, as some hon. members ask?

Mr. Speaker: Order. Perhaps at this time it would be useful to recall the attention of hon. members to the fact that most of these questions in my humble opinion are out of order, in that they anticipate an order which is on the order paper and which will be before the house very shortly; but due to the emotional impact of this issue the Chair has been, I think, more than reasonably lenient.

THE MINISTRY

APPOINTMENT OF EXECUTIVE ASSISTANTS IN HOME RIDINGS

On the orders of the day:

[*Translation*]

Mr. Guy Marcoux (Quebec-Montmorency): Mr. Speaker, I would like to direct a question to the President of the Privy Council.

He was asked recently about the civil servants working in some ministers' ridings, and he said that he would inquire and give an answer to the house.

[*Text*]

Hon. G. J. McIlraith (President of the Privy Council): Yes, Mr. Speaker. The practice of appointing persons to the staffs of ministers outside of Ottawa is a long established practice which goes back many years. When this government took office it reviewed the practice followed by the previous administration and continued to maintain it in force. There was one change; now the appointments have to be approved by treasury board before the order in council is submitted to the governor in council.

[*Later:*]

Mr. T. C. Douglas (Burnaby-Coquitlam): Mr. Speaker, I wish to direct a question to the President of the Privy Council. By what authority and precedent did the cabinet pass orders appointing staff to the constituencies of cabinet ministers; and is this practice to be continued by the government?

Mr. McIlraith: Mr. Speaker, staff are not appointed to constituencies, they are appointed to ministers. With regard to the point being raised as to the authority for such appointments, section 71 of the present Civil Service Act makes provision for this. Prior to the present Civil Service Act, authority was given in the section which had to do with

exempt positions. There is no question about the legal validity of the appointments.

Mr. Douglas: A supplementary question. There may be no question about the legal ability of the government to do it but there is some question about the moral right of the government to do it. The minister says these people are appointed as assistants to ministers, but do not the orders in council specifically state that, in these two instances, the staff to be appointed is to serve in the constituencies of the ministers and not in Ottawa?

Mr. McIlraith: No, Mr. Speaker, that is not quite accurate. In one case at least the appointee is not serving in the constituency of the minister, and that may be the case in the other. I have not the orders in council before me, but in any event the point I wish to make is that the staff may be serving the minister in any area of Canada.

I think the point bothering the hon. member is whether or not they are doing government work; that is the test. I may say that this is an old practice which has gone on for a great many years, as the Leader of the Opposition knows. However, I will look into the whole question and find out exactly how it has been done in each instance.

Right Hon. J. G. Diefenbaker (Leader of the Opposition): Mr. Speaker, as I was gratuitously brought into this matter may I say that throughout the entire period when I was a minister I paid for my own office assistance in Prince Albert out of my own pocket.

Mr. McIlraith: Mr. Speaker, if my remarks were taken by the Leader of the Opposition as a reflection upon him, they were not intended in that way. The fact is that objection was made by him to this practice when he was prime minister and also to the practices of his ministers, which practices, notwithstanding his objection, were carried on. The point is that the practice now being carried on follows that carried on previously.

Mr. Douglas: Mr. Speaker, I have no desire to prolong this debate, but I would ask the minister whether he would be prepared when we get into interim supply to give us more information. Because if this has been the practice in the past, I think any person who examines it and what the practice could lead to, would insist that it stop.

Mr. McIlraith: Mr. Speaker, I will be glad to discuss the matter further on interim supply. I do not yet have all the information I want. Since this question was raised in the house I have had the appropriate officials get the information and put it together, but it is not complete at the moment. However, I will be able to give more information later.

Mr. Terry Nugent (Edmonton-Strathcona): Mr. Speaker, since the President of the Privy Council indicated that the question is whether these people are working on government business, perhaps he can answer the question I asked the Minister of Citizenship and Immigration two days ago concerning the appointment of a man to serve at Baie des Sables, I think it was, as a special assistant. Perhaps he could also tell me whether there has ever before been an immigration office at that place, and exactly what are the duties of the gentleman who has been appointed at a salary of $7,500 a year, which is provided out of the taxpayers' money.

Mr. McIlraith: Mr. Speaker, I do not have here that particular order in council—or any of them as a matter of fact—but I would repeat what I have already said two or three times in the last few minutes, that the present practice exactly follows the former practice.

Mr. Diefenbaker: Not at all.

Mr. McIlraith: The Leader of the Opposition says "not at all"; I am sorry to have to differ with him. I said I would look into the whole matter, and I repeat that this practice follows precisely the practice followed by the former government.

Mr. Diefenbaker: Mr. Speaker, I immediately answer that, as I did a moment ago, by saying that statement is without justification. May I ask the minister of immigration to tell us something about this man who is going to work at this place for the immigration department. The minister is here; let him answer. He is of age.

Mr. Speaker, the minister has had someone appointed in his constituency, which is an area not noted as a place where immigrants land. Would the minister say what is the purpose of this appointment? What will the duties of this gentleman be? Surely the minister is not going to adopt the same answer he did the other day, that "Whatever I do is right". Tell us the facts.

[*Translation*]

Mr. Gilles Grégoire (Lapointe): Mr. Speaker, I wish to ask a supplementary question.

I should like to ask the Minister of Citizenship and Immigration what will be the duties of Mr. Côté who has been appointed at Baie

des Sables, in his constituency, and what will be his duties as special assistant to the department of immigration?

[*Text*]

Mr. Speaker: I think all these questions illustrate the fact that when detailed information is needed, either notice should be given or the question should be placed on the order paper. It may be possible that the information is known by the minister, but I do not think it is reasonable at this time to expect a detailed statement on a matter of this nature. I suggest that these questions should be put on the order paper.

Mr. Diefenbaker: Mr. Speaker, may I say that surely the minister, who is spending $7,500 of the Canadian people's money to have what looks like a patronage appointment made in his own constituency, should rise and give us the facts. The answer he should give is not very intricate, but he should tell us the facts.

Mr. Horner (Acadia): It is patronage.

[*Translation*]

Mr. Grégoire: Mr. Speaker, we accept the principle that you set forth a few minutes ago, but we believe we would be entitled to know from the minister on what date he will make a statement about this. At the present time the minister remains seated and does not say whether he will make a statement and he declines to say when he will give information to the house.

[*Text*]

Mr. Speaker: Order. This is argument, not a question.

Mr. Douglas: Mr. Speaker, on a point of order, we are not asking the government to give us any detailed information. We are simply asking a very easy question, and it is why did order in council P.C. 1964-5/490 appoint a Mr. André Côté as a special assistant to the office of the Minister of Citizenship and Immigration at Baie des Sables? Why is the government appointing, at public expense, an official who resides in the minister's constituency? Surely that is a simple question to which the minister ought to reply.

Mr. Speaker: The hon. member has asked the question twice, I believe, and if I understood the President of the Privy Council he said he had taken full notice of the question and would reply in detail, either on his estimates or very shortly.

Mr. Nugent: Mr. Speaker, the Minister of National Health and Welfare is in exactly the same position. Perhaps she is prepared to give an explanation which would save the house waiting for the President of the Privy Council.

Mr. Speaker: Order, please. It does seem to me we have had a full discussion of this point at the moment.

Some hon. Members: Answer.

Hon. Judy V. LaMarsh (Minister of National Health and Welfare): Mr. Speaker, I should like to answer the question put to me by saying that I have engaged someone as a part of my clerical staff, as part of my ministerial staff, which happens to be located there, in Niagara Falls, to look after the responsibilities of the department in my constituency, and that I did this in pursuance of the practice—which I checked into first—of numerous ministers in the last government.

Mr. Diefenbaker: That is not so.

Miss LaMarsh: Including my immediate predecessor.

Mr. Monteith: Very definitely not.

[*Translation*]

Mr. Grégoire: Mr. Speaker, I wish to point out to the Minister of National Health and Welfare that she—

[*Text*]

Mr. Speaker: Order, please. I do think we have had more than sufficient discussion on this point, in view of the fact that details will be furnished, and of course I assume full details, by the ministers concerned.

[*Translation*]

Mr. Grégoire: Mr. Speaker, I should like to ask the Minister of National Health and Welfare whether an assistant of that kind to her department will be appointed in the Lapointe constituency.

[*Text*]

Mr. Diefenbaker: Mr. Speaker, parliament deserves answers from ministers on simple questions, and I ask the Minister of Citizenship and Immigration whether this Mr. Côté, for instance, is one of those who look after the imprisonment of people in Toronto over a period of time. Is that the type of duty he is going to exercise, or what will his duties be?

Mr. Speaker: Order. I am sure the implication in that question was not intended.

Mr. Diefenbaker: Mr. Speaker, I am trying to get some information from this silent minister who spends $7,500 of the people's money and won't tell us what for.

Some hon. Members: Hear, hear.

Mr. Harold E. Winch (Vancouver East): Mr. Speaker, I would like to address a supplementary question to the Minister of National Health and Welfare. In view of the fact that I represent a riding 3,000 miles from Ottawa, would she support the principle that I could appoint a public relations officer in my riding at government expense?

Miss LaMarsh: Mr. Speaker, it is not my responsibility as a member of the privy council to decide whether the hon. member needs a public relations officer. The individual I have appointed is a widow with two children—

Some hon. Members: Oh, oh.

Miss LaMarsh: —and she is, as I said, a member of my secretarial and clerical staff.

Mr. Winch: As a supplementary question, can I appoint a widow with five children?

Some hon. Members: Oh, oh.

FARM CREDIT ACT

AMENDMENTS INCREASING AUTHORIZED CAPITAL, MAXIMUM LOAN LIMITS, ETC.

The house resumed, from Wednesday, June 10, consideration in committee of Bill No. C-100, to amend the Farm Credit Act—Mr. Hays—Mr. Lamoureux in the chair.

On clause 1—*Farming.*

[*Translation*]

Mr. Latulippe: Mr. Chairman, as I was saying yesterday, war should be declared against the agricultural depression prevailing in Quebec ridings, an unrelenting war where technology, financial resources and all our talents would be used to find solutions acceptable to our farmers. At the same time we would wage war against hunger, want and collective poverty. As legislators, we should be more conscious of our responsibilities and we would perhaps be more worthy then of our title of representatives of the people.

Before I conclude, I should like to direct one question to the minister. Could he tell us whether he will consider the possibility of having the corporation reduce its interest rates, change the conditions concerning loan applications and see how it could contribute financially to the establishment of markets for farm products? When can we expect a reply?

I am also asking the minister whether the government will soon make a decision as to the possibility of granting subsidies for grain shipping by truck right to the farm. Such a measure, requested by several farmers' associations, would be a great help, and I cannot see why the government could not comply with such a request.

[*Text*]

Mr. Baldwin: Mr. Chairman, I want to make a few comments on this particular item, and I am going to relate my remarks rather exclusively to the particular clause itself although I may have to wander a little bit in order to make the point I think I should make. Subsection 2 raises some questions in my mind as to whether this amending bill is departing from the original purposes for which the legislation was conceived.

In order to refresh our memories as to what that purpose was I would like to refer to section 16 of the act which, as I understand it, has not been amended. If it has been amended I would be glad to have the minister tell me. Section 16 (b) reads:

> Loans under this act shall be made only to farmers who are actually engaged in or are shortly to become engaged in the operation of the mortgaged farm and whose experience, ability and character are such as to warrant the belief that the farm to be mortgaged will be successfully operated;

These are wise, sensible and realistic provisions, and should be the kernel around which all this legislation is built; but looking at some of the amendments proposed in this bill I am wondering whether we are in fact departing from that particular principle. My reason is not only a general one in so far as the value of the legislation to the country as a whole is concerned, but I think I am entitled to relate this to the situation in my area and in the northern parts of Canada.

To emphasize this point I want to refer very briefly to a pamphlet issued by the Canadian council of resource ministers, volume 1, No. 3, for March, 1964. In that pamphlet there is a comment with regard to the particular area in which I am interested with respect to the application of the act and this particular amendment to the act. I am only going to give a digest of it, but I think it is quite important.

> Homesteading, the historic method of settlement on the prairies, is undergoing a revival in the virgin lands of northern Alberta. A farm land boom has been under way since 1961. In

that first year, 1,371 applications were recorded. During the next year, to March 31, 1963, a total of 2,350 applications were received, and in the current year, to February 26, 2,350 applications have been filed.

In other words, in something less than three years over 6,000 applications for new land have been received from people proposing to go on the land and farm it. I think this area is probably one of the few left in Canada where we find a variation from the normal pattern of people leaving farms. The minister visited this area last winter and will bear me out in what I say. Here in the northern part of Alberta people are going on the land. But having in mind the nature of farming, the cost of breaking, brushing and clearing land and the cost of machinery and equipment, in order to farm the land effectively, produce efficiently and make a contribution to the economy of the country, certain financial assistance is required, and this legislation has been most effective in providing it.

I can say that in the quarter of a century before this act came into effect less than half a million dollars was lent under the old farm loan board in the entire northwestern part of Alberta, including all of Peace River constituency. I do not have the precise figure, but I believe that in the last four years loans have aggregated approximately $12 million. So we have the striking contrast of half a million dollars lent in 25 years and $12 million in four years. This indicates the intense interest that I, on behalf of the people of my constituency and in other northern areas, have in this matter, and why I question whether in what the minister is proposing we are not possibly departing from the main purpose of the legislation.

What is this purpose? If one looks at the annual reports of the Farm Credit Corporation over a number of years we find a very interesting contrast. In the fiscal year 1957-58 moneys used to purchase land were limited to 27.7 per cent of the total amount lent. For the fiscal year 1962-63 the amount for land purchases and improvements represented 66.8 per cent. In other words there has been a doubling.

This is the manner in which the utmost value will be obtained from this legislation, by the money being used to buy land, to make improvements and to purchase cattle. On the reverse side of the picture, in 1957-58 the amount of money used to pay off land and other debts was approximately 56.6 per cent. In the last fiscal year for which we have information, 1962-63, this was reduced to approximately 30 per cent. I think this is also a very necessary and wise change in the trend.

Having laid that foundation, let us look at this particular clause, and I am going to deal particularly with subclause 2, which reads as follows:

For the purposes of part II the corporation may deem the executor or the administrator of the estate of a deceased farmer to be a farmer within the meaning of paragraph (e) of subsection 1.

This raises two sincere questions in my mind which I think the minister might consider. First, what about the situation of an executor or administrator which is a trust company? As I understand the legislation, it is not intended to be applied to limited corporations save only those corporations which are defined as family corporations under the pertinent regulations. I have not the section at hand, but I am sure the minister can ascertain what it is from his officials. The legislation is applicable to farm corporations as defined in the regulations.

I pose this question to the minister. A trust company, which is a limited company, of course, either by act of parliament or under the pertinent companies act of the province or of the federal government, is certainly not a farming corporation as defined by the regulations. I am not opposed in a limited way to what is suggested here, but I wonder whether the minister in his consideration of this particular subsection would not find it necessary to spell out the matter in detail if it is proposed to extend this particular benefit to an executor or administrator which happens to be a limited company.

I am thinking of the responsibility which otherwise might be thrust upon the very hard working and efficient officials and employees of the Farm Credit Corporation who may have to decide questions of this kind, which I think should be decided here in parliament and not left to the discretion of the officials.

Second, I put this question to the minister. In doing so I have in mind the purpose of the act as set out in section 16 (b) where it is provided as follows:

Loans under this act shall be made only to farmers who are actually engaged in or are shortly to become engaged in the operation of the mortgaged farm and whose experience, ability and character are such as to warrant the belief that the farm to be mortgaged will be successfully operated.

I can visualize cases where the farmer has made his application and while the documents are in the process of being prepared he passes away. His administrator or executor would then be able to apply under this

particular amendment. How would the officials deal with such a case, having in mind the fact that they must take into consideration the provisions of section 16 (b)? Take the situation where there is a widow with young children. How would it be possible for the officials to be able to say that the particular loan was being made to a farmer actually engaged in or shortly to become engaged in the operation of the mortgaged farm?

Certainly the particular circumstances will have to be considered. If the deceased farmer left an adult son or sons who are on the farm and who have made their intention to continue the farming operation plain to the corporation, then discretion could be exercised and there would be compliance with the principle of the act which is the kernel of the whole scheme. But if this is not done I can see situations arising where this particular subclause could be invoked and could be used only for the purpose of settling estates.

As I pointed out before, this places the very considerable onus and responsibility upon the officials of having to make this decision, a decision which I think parliament should make by including apt words in the legislation. How would the departmental officials deal with a situation where there was an administrator or an executor but nothing specific to indicate that farming operations were going to be carried on by the beneficiaries of the deceased?

The minister might not be able to answer right now, but I would ask him to consider the matter and, at least before the amendments are passed, indicate if other changes or other amendments in the regulations may be considered which will make it quite plain that we are not passing these amendments to depart from the original principle that these moneys are to be available only for the purpose of carrying on farm operations, and not to settle estates.

Mr. Hays: With great respect for the hon. member's point, Mr. Chairman, may I say that we have gone into this matter with our legal people. The Farm Credit Corporation has had to deal with many of these cases of hardship. We feel that the point has been taken care of quite well. A question has been raised in connection with a widow with a very small family, but this is not the type of case with which we hope to deal although these cases will be taken care of as well. Where there is a son 17, 18 or 19 years old, not of legal age, then the executor acts on his behalf until such time as he can legally take over the farm.

Then, there is the case of a widow who may have a vested interest in the farm, possibly for as long as she lives. In that case it may be that, in conjunction with the executor, the farm could be operated for her protection. Our legal people have taken a long look at this provision and at the cases of hardship that have been brought to our attention. We are merely trying to broaden the provision so that it would take care of these cases of hardship. I appreciate the inquiries hon. members have made, but we feel we have adequately provided for these cases.

Mr. Herridge: I want to briefly make one or two suggestions to the minister. First of all, as one who is interested in the tree farming aspect of farming, I may say that I was pleased to hear the minister read the regulations yesterday. I am sure this knowledge will be welcomed by a number of persons who were quite uncertain as to just what was intended in so far as the application of this section and the definition of the word "farmer" was concerned.

I am interested in tree farming operations all across Canada. I notice that in eastern Canada you call them woodlots, but in British Columbia we call them tree farms. They are a great source of winter income to many types of farmers in the interior of British Columbia. I am not one who believes that everyone living on a farm is required to have an economic family farm according to the business interpretation of those words. There are many types of farms. We have gentlemen farmers, you know, who have private incomes and treat the farm as a hobby. Then we have maintenance farms. I have a number of people whose incomes, compared with those in urban areas, would be considered very low, but whose relative income would be about three times as high because they have a high standard of living. Then there is some place for the part-time farmer and the maintenance farm.

A number of these smaller farmers are taking an increasing interest in tree farming. I know a number of persons in my constituency who have five acres in fruit or 50 acres in a general farm, and who have anything from 100 acres to 1,000 acres in tree farming or woodlots as they are called in Ontario. They are combining these operations very successfully. It is on that account I was pleased to hear the minister read the regulation. In

fact I have some farmers who are cutting all the way from a few thousand feet of lumber a year up to one or two million feet a year. This illustrates how this type of farming has developed in recent years.

I urge the minister to provide for a study of the various aspects of tree farming in Canada. The circumstances vary so much in the various localities from the maritimes, Quebec, Ontario, and the prairie provinces to British Columbia. I believe we should study the relationship of of the various types of tree farming to the various types of agriculture in the areas concerned. I am not sure whether the minister has the officials within his department to make such a study; they may be in the Department of Forestry.

There has to be some attention paid to this increasingly important section of farming. There should be some study of the types of tree farming, the types of production, the types of markets available for these products in various areas. I believe some consideration should also be given to research into the application of the principles of taxation to meet these various circumstances. I suggest it would be a good idea for those interested and the officials concerned with this study to look into the principles of taxation applied in Great Britain and Europe to those persons who are considering trees as a crop and maintaining their capital for future generations.

I believe there could be more attention given by the corporation to this aspect. I am speaking not only as the member for Kootenay West but as the president of the Canadian tree farmers' association, which offers its full co-operation to the minister in anything he may do in this respect. I believe if this study is undertaken, more information will be available to those who are interested. What the corporation is willing to do for this aspect of farming could be greatly assisted as a result of the amendments to this act.

Mr. Hays: Mr. Chairman, I appreciate what the hon. member has said. We have an interdepartmental committee working on the problem, and I will be glad to bring these remarks to their attention. It seems, as a result of our studies in the last year, that some of the questions the hon. member has raised are of great importance, because if these woodlots had been extended into economic units many of the problems would have been resolved. We have the manager of ARDA on this committee, because it relates very closely to forestry.

I believe that as a result of this study and the extension of these loans by the Farm Credit Corporation we will accomplish what the hon. member has suggested. Certainly we have this in mind. Personally I feel it is a very good suggestion, and we will pass it along. I am sure we can resolve some of the problems we have had in the past from coast to coast.

Mr. Herridge: I just want to personally thank the minister for his remarks and assurances in this respect, on behalf of those who have been particularly interested in the application of this act to the tree farming I have mentioned.

Mr. Korchinski: I should like to make a few remarks on this first clause. I am concerned over what may happen in the case of a widow with a few children when the estate is not settled. The administrator may feel that a loan may be necessary and the officials of the corporation may agree with him. However, some of these loans are taken out for 30 years, for example, and the members of the family, as they become of legal age, may want to have the estate settled. They may feel they are not going to get a fair share of what might have been the value of the property at the time the father died. In some instances the property may have lost in value as a result of poor management or unfortunate circumstances.

I am concerned that in such a case the department may find itself a contributor to a grievance in later years. I am wondering whether there will be some strict provision made in order to avoid legal entanglements in future years.

Mr. Hays: I think this is the same problem as we have been debating ever since we began to consider clause 1. We shall certainly take these things into consideration and make sure that there will be no such difficulties as the hon. member suggests.

Mr. Korchinski: I am just wondering whether the minister intends to make strict provisions either in the regulations or by some other means for setting out the rules, which will have to be followed closely. Otherwise I can envisage many complications arising in later years.

Mr. Hays: Every necessary precaution will be taken and we shall bear in mind all the points which have been raised in the last two days in this connection.

[*Translation*]

Mr. Choquette: Mr. Chairman, my remarks will be very brief. I simply want to commend the government and the Minister of Agriculture (Mr. Hays) for the fine legislation submitted to the house, to double the borrowing power of our farmers.

To my mind, Mr. Chairman, this legislation will be a stimulating one for our farmers, and more particularly those of the province of Quebec, who, I think, suffer from an "inferiority complex".

Too many farmers in the province of Quebec are afraid to increase their farming operations, and if today, there are complaints that so many farms do not pay their way, for instance in the riding of Lotbinière, 1,100 farms have a gross income of less than $2,500 a year it may result from certain farm policies, but it is also due to the fact that too many farmers do not want to expand their operations, enlarge their acreage.

Consequently, the fact of granting them increased borrowing power will incite them to extend their acreage and to own larger farm units, thus increasing their productivity and, hence, their income.

I therefore congratulate the government for introducing such a measure and, if I may, I shall make a suggestion to the minister. Our farmers have vented certain grievances, which, I think, are quite justified, and I would more particularly draw the minister's attention to the following case. Several farmers in my riding who made loan applications to the Farm Credit Corporation, complain, and rightly so, that the evaluation process is very slow; too much time goes by before someone comes around to set a value on their farm and tell them whether they are entitled to a loan.

I therefore call the attention of the minister to this situation which affects our farmers, and I would ask him to have the procedure accelerated, so that the evaluation of those farms is done more quickly and that the farmers who apply for a loan get their answer sooner.

[*Text*]

Mr. Cardiff: Perhaps I can claim to have more knowledge of farm loans than any other member of the house. Certainly I had more to do with the veterans farm loan board than any other member remaining in the house at the present time.

From 1943 until 1950 I was trying to rehabilitate the boys who came back from the war. At that time we had men in the field who very often knew little or nothing about land values. We had difficulties in getting these boys installed on farms which were suitable for making a living. We had to intercede for them, otherwise they would have found it almost impossible to get the land. I have had a lot to do with the Farm Credit Corporation and with the farm loan board before that. I have great respect for the men who have been at the head of that organization, Mr. Rutherford, in the first place and then Mr. Owens. I know both of these gentlemen very well. They have been doing an excellent job. One cannot expect these men to be responsible for all the mistakes which are made. They have field men out in the field who make many of these decisions. They should be very particular men and do their jobs well.

You cannot always judge these matters strictly according to the value of the farm; you must take into consideration the man who is seeking the loan. Sometimes you get a young man who wants to start farming but he does not have any considerable amount of money. Yet his reputation is good and if given a chance it is not long before he makes a name for himself. The point is this: It is getting harder and harder to start boys on a farm if they do not have money. When I started farming I started with practically nothing and worked my way up in a few years so that I was able to get a little credit. But a boy cannot even start farming nowadays unless he has, say, $10,000. A boy who is inclined to favour agriculture finds it difficult to get enough money to start, and his only hope lies in the farm loan board. You cannot get private mortgages any more because the money lenders will not lend money to farmers.

I have read over this bill and I am not entirely against the amendments being sought. However I have not studied them sufficiently well to pass an opinion on them. I am inclined to be dubious about parts of the bill and I think perhaps I will wait until the other clauses come up for consideration before I pass judgment on them. I wanted to say something because of the fact that I have had so much to do with farm loans during the years trying to get these boys started on farms. Many of the older men who have boys coming along find it difficult to carry on without the help of the boys, and the boys find that unless father has a little money to give them they cannot get started on their own.

The minister said he was anxious about boys 16, 17 and 18 years of age. Mind you, there is an awful lot of difference in boys. You get a boy sometimes who is almost a man by the time he is 16 and you get another who does not develop until he is 20, 21 or 22. Take a boy who is level headed and interested in farming. At 16 he is as good a man as he will ever be and can do as much work. I think the minister is justified in looking after loans of this sort.

I am not so sure about how the interest rates are to be arrived at. I think it should be set down in clear words; there should be no guesswork. I agree that the interest rate is not to be increased above 5 per cent in respect of loans up to $20,000 and, in another case, up to $27,500. But I am not sure what the intention is with regard to loans outside that category. I will try to find out before the bill goes through.

Let us bear in mind that for as long as I can remember—and that is a long time—farmers have always been short of money. Some farmers of course have been lent money. But the man who has to earn his income on a farm is generally short of money and the only way in which he can get along is by means of loans from the government. I do not want to see interest rates jacked up until the loan is impossible to repay. Some people say: What about industry? That is another matter. Industry makes more money than farming does, and a farmer cannot be expected to pay the kind of rates expected from industry. I hope that when the other clauses come before the committee I will be able to understand them a little better.

Mr. Horner (Acadia): Mr. Chairman, rising to take part in the debate on clause 1 of Bill No. C-100 I would first like to congratulate the farm credit officials for the wonderful job they have done in administering this act and making it applicable to many of the farm areas throughout Canada. Certainly, no matter how good the act is, amendments are required from time to time to keep up with and ahead of the expanding economy and the expanding circumstances of farming and agriculture. I think, though, that in some respects the amendments before us today will have a tendency to narrow the application of the Farm Credit Act, rather than widen it.

I am somewhat concerned to see in the 1962-63 annual report, the last one that is available, that on page 5 it states that during the fiscal year some 21,000 farmers consulted the corporation, and it goes on to state that only 9,875 received loans; 46 per cent completed formal loan applications. I am concerned about the other 11,000 people who did not get loans and whether the act was suitable for the type of loan about which they consulted the corporation. I think that, rather than increasing the amount available we should make the money that is now available applicable to more farmers in more areas of Canada.

It pleases me a great deal to see at the top of page 5 that the Farm Credit Corporation in its fourth annual report had this to say with regard to the amendments brought in in 1962. It is said that the amendment of the Farm Credit Act in November, 1962, "will considerably enlarge the scope of the corporation's future lending activity". This is the type of legislation we brought in at that time; we allowed farmers to borrow money on the income they earned outside of their direct income from the farm. This in some way must have brought in some of the 11,000 persons who approached the corporation the year before last—and in fact approach them every year—and did not get a loan because their cases were perhaps not suitable for receiving a loan from the corporation.

While I have this annual report in my hands I think it should be pointed out, as it probably has been a number of times already, that of the some 7,000 loans approved, the average loan was a little better than $12,000. As the minister pointed out in his speech opening this debate, only some 11 per cent of those who applied for a loan asked for the maximum amount available. This makes me wonder whether increasing these loans to $40,000 and $55,000 is actually meeting the requirements of the many people who applied for loans and did not receive them. I think perhaps the Farm Credit Corporation's greatest benefit to farmers is its attitude toward establishing young farmers, farmers on uneconomic units and small farmers; to get them on their feet and up to the standard of an economic unit. There has been a great deal of talk regarding what is an economic unit. I imagine the minister has his own views in this respect. I am led to believe that in the minister's view an economic unit would be a very large one indeed, as he is sponsoring maximum loans of $40,000 and $55,000. It is not that I have anything against loans of this size because I well realize that many farms cost a great deal to maintain and operate. However, I also realize that in order for a farmer to borrow $40,000 or $55,000 from the

Farm Credit Corporation he must himself have in the neighbourhood of from $10,000 to $20,000 to apply to the farm.

This brings me to the point, Mr. Chairman, as to how many small farmers can take advantage of a $40,000 loan when they must have 25 per cent of that amount in cash or negotiable securities in order for their application to be approved by the Farm Credit Corporation. Certainly not many farmers in my area have $10,000 in negotiable securities which they could put forward on an application for a loan of $40,000 from the corporation.

I am greatly concerned that making this large amount of money available will be of direct benefit to the large farmers and of no real benefit, or very small benefit, to the small farmers. Some 54 per cent of the people who consulted the Farm Credit Corporation nearly every year find that the corporation does not meet their needs with regard to loans. Perhaps the same 54 per cent reappear the next year and are able to find their needs fulfilled; I have no doubt that this is the case on many occasions. But I am concerned about the 54 per cent who are turned away or who leave on their own account. I do not think a $40,000, or a $55,000 loan under part III, will in any way help these 54 per cent who are turned away every year and find that the Farm Credit Corporation is not meeting their needs.

One must look at farm income, at the products produced in the various areas of Canada, to see whether the farmers in these areas would be able to pay back a loan of this large amount. When you consider the statistics of the last census in 1961 you realize that some 480,000 farmers in Canada had an average realized net income, even in the more prosperous provinces of Ontario, Saskatchewan, Alberta and the prairies, perhaps, of less than $3,000 a year. This leads me to believe, once again, that the average farmer cannot make use of a $55,000 loan which will be the maximum obtainable when this measure is passed. We realize that in some areas of Canada agriculture lags behind other areas. Some parts of Quebec and the maritimes have not really taken full advantage of the Farm Credit Corporation. In 1962-63 only some 60 loans were made in the province of Nova Scotia; this compares with some 2,000 in Saskatchewan, I think. When one looks at the income figures for these provinces—I think the realized net income figure for the average farm in the province of Quebec was something like $1,200, and the maritimes was not too much higher—he understands why farmers in those areas cannot pay back a huge loan of $40,000 or $55,000. This convinces me that these amendments will be directly aimed at benefiting the large farmer.

When the Farm Credit Corporation was set up in 1959 I thought its main purpose was to help only those farmers who needed money, those farmers who were farming on what could be termed relatively uneconomic units. I thought this was a wonderful principle which would help raise the standard of living on farms all across Canada, and in it I saw hope for many farmers and particularly those who most needed a loan.

I have the feeling, in view of these amendments to the act, that the principle of the Farm Credit Corporation will slowly change and go back to the old idea that those who have the most will get the most by way of loans. This is a fear which I feel I should express at this time. Up to this point I think the corporation has done a wonderful job to help farmers who really need a loan, but I fear that increasing the amount of the loan will perhaps destroy the initial principle on which the Farm Credit Corporation was founded.

I also think that under clause 3 a greater erosion of this principle is feasible. The clause suggests that a father, uncle or brother can borrow money on behalf of a son, son-in-law, daughter, daughter-in-law, nephew, niece and so on. This may sound good, but it may well allow—and I should like to know whether or not it will allow—a farmer operating what is now classified as a commercialized enterprise and who is not entitled to a loan from the corporation, to borrow money for his son who, by reason of age, is not yet able to carry on the farm. Perhaps the son is 12, 14 or even 16 and still at school; and we all hope that he will stay at school for as long as he can. But this clause may well allow a farmer who was not otherwise entitled to a loan to borrow money on his own credentials for his son, son-in-law and so on, and in fact create even a larger corporation around him and his family. Perhaps I see greater dangers in the clause than are evident to the minister.

The hon. member for Peace River suggested that the settlement of an estate could also lead to a corporate type of operation in a case where the initial borrower dies, leaving a wife and several children to carry on the repayment of the loan while the farm operation is managed in trust, perhaps by a trust company for all we know. This would tend to

direct money advanced by the Farm Credit Corporation into the more commercialized operation, the sort of operation which really would not qualify under the initial principle of the Farm Credit Corporation, which was to help those who needed help most.

I noticed that at the beginning of the minister's remarks in introducing the debate he stated that the principle of the Farm Credit Corporation was to make loans for the buying of livestock and equipment, as well as to improve farm buildings and houses. If one looks at the money which has been paid out by the Farm Credit Corporation, some 80 per cent of it has been directed toward paying land debts and buying more land, whereas only some 3 per cent was applied to the purchase of livestock.

The minister went on to point out that another principle of the Farm Credit Corporation was to assist the small farmer to expand his enterprise to an economical size. I wonder whether the minister could give us some idea as to what he feels is an economical size, not in acreage but as far as capitalization is concerned. Perhaps the corporation have some figures they use as a rough guide which in turn will guide the committee this afternoon in its discussion of this bill.

I am also concerned at the rate of interest payable on loans over $20,000 and $27,500 under part III. In some respects perhaps it is an established principle that, if one has a sound credit rating, the more money one borrows from the bank the lower the interest rate. But here it is the opposite: the more money one borrows the higher the interest rate. A high interest rate on a large loan makes it all the more difficult to meet the repayments. One hon. member mentioned that a loan of $55,000 taken over 35 years would mean that a borrower had paid back $125,000 at the end of the term. This gives the committee some idea as to what this interest rate means; it means a lot of money to the person who is repaying the loan.

I, like the former speaker, should like to see the interest rates spelled out in the bill so that the farmers would know exactly what this means to them. A farmer taking a $25,000 loan under part II of the act would perhaps be better advised to borrow the money under part III of the act unless the interest rate made a great difference. He would have to get advice from the corporation, but it might save him the difference in interest between the rate on $20,000 and that on $27,500. That may be an avenue which could be explored.

The minister stated that in some respects these amendments are reinforcing the position of family farms. I have grave doubts whether this would be accomplished. The average family farm, judging from the 480,000 farmers in Canada, involves a capitalization around $30,000; and nearly half our farmers have an acreage of 250 acres or less. As a result of the amendments I am afraid that the capital will be slowly drawn off, and perhaps not immediately but in the ensuing years there will be a tendency for the corporation to place large sums of money in good secure hands, but it will not bring about the improvement in over-all farm standards which we should like to see.

I realize that the Farm Credit Corporation is sometimes rather a stickler, with regard to making loans, in ensuring that a farmer borrows enough money to establish himself on what the corporation calls an economical unit. I have had a number of farmers come to me and tell me they want to borrow only $3,000 or $4,000, but that the corporation has said that that was no good, that they should find a farm value at $20,000 and that they would receive a loan of $20,000. That is why these amendments concern me today. There are a number of farmers—I am sure this is the case in many areas of Canada—who, having farmed a half section of land for the last ten years, suddenly find available a quarter section of land adjacent to their own farm.

They want to buy this and it can be bought for $5,000 or $6,000. However, the corporation says, "No; this still does not give you an economic unit in our way of thinking and we would not lend you $5,000 or $6,000, but if you find a bigger farm, a well established farm, we will lend you $20,000." This may sound good in principle but many cases have been pointed out to me where a farmer, who has existed for ten years on a half section of land, sees a piece of land adjacent to him that he wants, but the corporation will not lend him the money to buy it. As the years go by maybe another quarter section would become available and eventually he would be able to establish himself on a full economic unit.

I also believe the corporation should continue to make and process loans throughout the winter. It has been its policy not to make appraisals after the first snow flies, but at times it is pretty difficult to shut down and wait until spring. You have other agencies and departments of government saying, "Do it now; why wait till spring?" But the

corporation takes the attitude that once the first snow flies it must shut down on appraisals and wait until spring.

Perhaps the Farm Credit Corporation might not be as brave in its winter appraisals as in its summer ones, but it could process applications and perhaps not pay loans on as large a scale as in the summer months. In this connection I am thinking of a particular case of a farmer who had rented a place for five or six years. He knew it as well as he knew his own place. The owner died and, in order for the estate to be settled, the farm had to be sold, and this man could not wait until spring to obtain the money to buy the farm. If the corporation had been taking applications and appraising land during the winter months he could have enlarged his farm. I am sure this situation exists in many parts of Canada.

In Alberta last winter many southern parts had no snow, but the corporation claimed the ground was frozen and it could not make an appraisal. There is no real difficulty in taking a chunk of frozen ground into a house, thawing it out, and conducting a soil test on it. For that reason I say this is one particular regulation that could be removed.

Under the terms of this bill we are asked to place our judgment in the hands of the corporation with regard to estate administrators, and with regard to people borrowing money on behalf of their sons or sons-in-law. Up to the present time the corporation has done a real good job in administering the act. I have full confidence in it, and I believe it could process many applications throughout the winter months in many parts of Canada. This would be an additional benefit to small farmers who need money during the winter when pieces of land come up for sale.

In closing I say that if the minister is trying to assist the small farmer, to strengthen and reinforce the family farm, he should give further consideration to the amendments he proposes. To me it appears that increasing the amounts of loans to $40,000 and $50,000 is a millionaire's approach to the solution of agricultural problems. It may be of real benefit to some farmers, to a small percentage of the applicants, but I greatly fear that many of the 55 per cent of the applicants who are turned down, or who go away from the corporation of their own accord each year, will not benefit very much from this proposal.

The minister has said further amendments will be necessary. I hope he gives greater consideration to some amendments which would be more beneficial to the small farmers across Canada.

Mr. Hays: Mr. Chairman, I assume the hon. member is opposed to the larger loans, and I think I should explain our thinking in this regard. Last year we loaned $108 million to the Farm Credit Corporation across Canada, and we have about $378 million, as of this week, at loan to the corporation. Last year, outside of this, the farmers used another $235 million worth of credit. They borrowed another $235 million at interest rates over 10 per cent. These are the figures obtained by the corporation in its study, and this is part of the reason why we are increasing these loans.

Mr. Horner (Acadia): For the purchase of land?

Mr. Hays: For the purchase of chattels and that sort of thing. Under the terms of the legislation 60 per cent is for land and 40 per cent for other chattels. Further, a recent study made by the Quebec department of agriculture into what an economic unit should be, showed that a dairy farmer, with 100 acres, must have a contract for the supply of between 200,000 pounds and 400,000 pounds of milk a year. The cost of such a unit in Quebec is about $40,000. If it is an economic beef operation the same study shows that a farmer will require between 200 and 300 acres of land for 50 head of cattle. Further, in the eastern United States their loans total $60,000 for land, plus an additional $35,000 for livestock, $95,000 in total. It was in this context that we brought forward these amendments. There is nothing to say a smaller farmer cannot use this, and this was our thinking in introducing the amendments.

Mr. Rynard: I have a case of a man starting to organize a dairy farm, and he has some money. He has enough to make a start and he is going to build a unit where he will keep around 75 head of dairy cattle on a 25 acre farm, with about 25 more acres in timber or woodlot. He figures that he can buy feed for the cattle, keep a milker to do the job with the equipment he is intent on providing, and make it an economic operation. Is it possible for this man to secure a loan under this legislation?

As the minister knows, his cattle will cost him around $30,000, and he estimates another $25,000 for equipment. He figures that he can run this unit more economically by paying the cost of labour than by buying a lot

of machinery to harvest a two or three hundred acre farm to supply his cattle with feed. Does this fellow qualify?

Mr. Hays: I realize the hon. member is raising a hypothetical situation.

Mr. Rynard: It is only in part hypothetical; this question has been posed to me.

Mr. Hays: In discussing this with the officials we have discussed many cases so that we would know how to broaden the act. I believe that the Farm Credit Corporation has more trouble in eastern Canada in suggesting to an individual applicant that he should borrow a greater amount of money. If he is to have an economic unit in order to repay the loan, he probably needs $40,000 and not $10,000. An applicant will refuse $15,000, but oftentimes he cannot pay back $15,000 if he does not have $30,000 to make his unit economical. The Quebec department also learned this from their study. The whole problem with farming is that those farmers who are operating at a subsistence level must have their operations converted into an economic unit, and certainly it will take a great deal more credit if he is going to be able to repay.

Mr. Rynard: There is only this further point. What about the case of the farmer who feels he has an economic unit and can prove to the Farm Credit Corporation with facts and figures that he can operate his farm as an economic unit? I am sure the minister knows as well as I do that there are people operating farms of this type in Ontario today who are doing very well. What I want to find out from the minister is whether they will consider these highly specialized farms for farm credit?

Mr. Hays: Yes, Mr. Chairman. An economic unit is a unit where the man can meet his obligations, pay his taxes and keep his family. Anything that will do that certainly is an economic unit.

Mr. Nasserden: Mr. Chairman, the more I listen to the minister the more I am convinced that he has completely missed the purpose of this legislation when it was first introduced in the House of Commons. I do not take exception to legislation which will provide an increase in the amount of loans where a larger loan can be made use of, unless we are to have the increase without also broadening the scope of the act to take care of the 11,000 farmers per year who have been unable to take advantage of the act as it is now constituted.

A few minutes ago something was said by the hon. member for Lotbinière about the problems in his area. I listened to the minister's remarks yesterday and today and it seems to me that the whole situation has escaped him, so far as the need of people faced with a particular problem is concerned. Before we proceed to broaden the act to make loans in excess of $27,500 available and double the amount available for individual farm units, I believe that something should be done for the vast number of farm people to be found in every part of the country who up to now have been unable to benefit from the legislation.

In saying that, I am not discrediting the legislation that has been brought forward or the good work that has been done by the officials who have tried to put the legislation into effect for the benefit of agriculture. All of us know that the legislation introduced in 1959, and amended later, requires further amendment from time to time to meet situations as they arise. Surely we have learned something from the experience of the last few years. In looking at the record of loans the thing that impresses me most is that the losses have been so small. That being so, it would seem to me that because of the regulations that have been in effect we surely must have been bypassing a great number of farmers who deserve loans.

I should like the minister to give more than passing consideration to this problem. I am disturbed by the legislation as presented, particularly clause 3 which enables the borrower to acquire farmland for his son or daughter, and so on. There is nothing wrong with that in itself, but it indicates the trend of thinking of the government. We must realize that land is getting scarcer in Canada today and that the purpose of establishing the Farm Credit Corporation was to bring as many people as possible into active agricultural production. The amendments before us today have the reverse effect. Unless the minister is prepared to introduce more lenient regulations so as to make loans available to those who have been unable to qualify in the past, I believe that the amendments before us today will have a very serious effect on the agricultural situation in Canada. They can only have one result, that there will be fewer farmers. Perhaps some people think this is inevitable, and maybe it is; but surely we should try to see that the development of these resources is

left in the hands of as many families as possible and not try to funnel these resources into the hands of a smaller number of families.

I think it is a well known fact that the farmer who is well established is better able to establish his sons, daughters and other relatives in agriculture or, for that matter, in any other business. Those who need help are those who are not as well established. Perhaps this whole point is not making a dent on the minister at all but I hope he will take it under consideration and give it the attention it deserves.

Mr. Pugh: Mr. Chairman, I have only a few comments on the bill to amend the Farm Credit Act. My only purpose in rising is because of certain statements made by the hon. member for Essex South yesterday. As found on page 4162 of *Hansard*, he said:

> All that was said yesterday by the members of the opposition added up to one thing, that for the last six years they have recognized that the Farm Credit Corporation was not meeting the needs of agriculture.

He made that statement just after talking about a windstorm, and I think that windstorm must have affected his words. The Farm Credit Corporation deserves a tremendous amount of credit. I think members have only to recall the old Canadian farm loan board, which in its day did a good job within the limitations placed upon it. But when the Farm Credit Corporation took over in 1959 it adopted a new approach to the credit and other needs of farmers all over Canada. I do not want to make a political speech but I would remind members opposite who have been criticizing the Farm Credit Corporation that it was set up by a Conservative administration.

The basic difference was that, instead of just looking at loans on the basis of proper security, as the farm loan board did, the Farm Credit Corporation looked at the needs of the farmers from the point of view of what constituted an economic unit. The minister has made much of the fact that the farm must be an economic unit in order to repay the loan. I think that has been the basis of all loans made by the corporation to date.

As far as my area is concerned, we do not have too much mixed farming. There is a certain amount of lumbering and some raising of cattle but mainly we have orchards. The benefits which have accrued to these orchardists in British Columbia through the Farm Credit Corporation are immense. In many cases the whole picture has been changed, and this has continued year after year.

One has only to examine the loans made to see what an excellent job the Farm Credit Corporation has done. I was extremely pleased to hear the hon. member for Huron speak this afternoon. Because of his great knowledge of farming I was particularly pleased with the pat on the back he gave the Farm Credit Corporation. He comes from eastern Canada and I felt that his words supported what I intended to say this afternoon. There have been complaints with regard to the time it takes to have appraisals made. I have checked into a great many complaints over the last number of years and I would say that if all appraisals were to be made quickly, in the rush of the season, the corporation would require a staff far greater in numbers than what they now have and they would have to be on the job 24 hours a day. I do not blame the Farm Credit Corporation at all for this. We have a longer period during the year in which appraisals can be made. However, you cannot just go out and pick up people off the street and say, "You are an appraiser; go out and look at farms." You have to have men with proper training and an understanding of farm problems.

I must say that in my area of British Columbia the appraisers are good. I can say they are men of understanding, Mr. Chairman, because they are faced with a great many problems when men cannot understand why their application for loans have been turned down. Certainly, we have a backlog of applicants for loans, but you cannot have an immediate appraisal. I would say offhand that there seems to be some concern about the number of applicants who were turned down last year. However if I am any judge of the applicants, the type of men who are processing and of the type of men who form the administration of the Farm Credit Corporation, I would say that the vast majority of the applicants are requesting loans on non-economic units.

I thought the hon. member for Acadia and the hon. member for Rosthern made excellent points. I should like to refer the minister to the amendments made in 1962. These were good amendments; they were broadening amendments. They gave applicants a better opportunity to qualify for loans, because income from other sources was considered to be income available for the repayment of the loans. I do not believe the doubling of the amount of credit available is the answer to this problem. I believe this is a good measure,

but I do not believe it will apply too much to my area. I can see that for the larger units on the prairies these provisions would be excellent.

The hon. member for Acadia and the hon. member for Rosthern both emphasized the fact that there should be a stronger attempt to keep the family on the farm. This might not be economic if credit were required to achieve this objective. I think the minister might look over the regulations under which this administration operates. Actually, I believe the administration is not hidebound. I believe they have a flexible way of looking at the requirements for credit of the individual orchardist or farmer. I feel that when a man makes application, if he has anything remotely resembling an economic unit he will get extraordinary consideration. It is true that in my area probably as much as anywhere, because of the nature of fruit farming and because of the nature of the economic unit needed, people asking for loans have been told that these loans will not do them any good. That what is needed is a larger loan so they can be put on an economic basis.

At the moment, as has been pointed out, there has been little if any loss to the Farm Credit Corporation because repayments have been made on a regular basis. May I say, in closing, that we have had a great many congratulatory messages to the minister from Liberal members? I do not want to detract in any way from those words but I should like to add that the work which was put in earlier made the Farm Credit Corporation an extraordinarily good means of extending credit to farmers all across Canada. Finally, I should like to say to the hon. member for Essex South that he should spend a little time talking to some of his colleagues, or some of us over here, in order to find out exactly what the Farm Credit Corporation is and just what it has done since its inception.

Mr. Hays: Mr. Chairman, since February 21 we have spent five days on the supplementary estimates for agriculture and four days on the main estimates. This is the fourth day upon which we have been dealing with the Farm Credit Corporation. We have the Crop Insurance Act coming up shortly and some of the provinces are very anxious to do something with it this year. We have the farm improvement loans amendments coming up soon on the order paper. Then, there will be the farm machinery bill, and I am sure farmers would like to take advantage of it this fall. In view of all this, perhaps we could get on with the point by point discussion of the bill and get it passed. I have indicated many times that we are running out of money. We are lending about a million dollars a day. There will be ample time to discuss these very important problems in agriculture. I realize, and hon. members realize, that this is one piece of legislation that is most necessary and most important.

Mr. Muir (Lisgar): I should like to cooperate with the minister. I see no reason why this measure cannot be handled this afternoon or this evening. However, I have a couple of questions that I cannot properly put under the other sections. They have to do with insurance on the loans. As I understand it, insurance is taken out on the borrower for the life of the loan. I should like to have on the record an answer to these questions: Is the amount of the insurance reduced as the loan is reduced?

Mr. Hays: Yes, it covers the normal amount outstanding and it decreases as the loan decreases. It is compulsory on part III but not on part II.

Mr. Muir (Lisgar): That is the other question I was going to ask; supposing a man wants to take insurance for his own benefit, but he is turned down on a medical examination, will there still be a loan granted?

Mr. Hays: Yes, he still gets a loan.

Mr. Muir (Lisgar): Does this apply to part III?

Mr. Hays: There is no medical examination under part III.

Mr. Muir (Lisgar): I think that probably answers the questions I have on the first clause. I do have some questions about interest but I can probably take them up later.

The Chairman: It being five o'clock, it is my duty to leave the chair in order that the house may proceed to the consideration of private members' business.

MOTIONS FOR PAPERS

MODELS FOR CANADIAN FLAG

The house resumed from Thursday, June 4, consideration of the motion of Mr. Smallwood:

That an order of the house do issue for the production of all flag designs or models which have been received by the Prime Minister, members of the cabinet or the government, as models for a Canadian flag.

Mr. S. Perry Ryan (Spadina): By the terms of the motion which the hon. member for Battle River-Camrose (Mr. Smallwood) has put before the house I take it he is hoping to have the property or ownership in every such flag design or flag model transferred to parliament. This may not have been the hon. member's intention, but I submit it will be the effect of ordering the production and tabling of more than 3,000 flag designs which, we are told, have been sent to and examined by the government, more particularly by the department of the Secretary of State.

In this situation I think the hon. member should consider whether such action does not in itself amount to an infringement or expropriation of copyright and be actionable in the courts in each case by writ of summons or petition of right. Further, even if no action were brought in respect of an individual design there likely could be no redelivery to the sender or author upon request unless this house, which is sovereign, ordered such redelivery. All hon. members might just imagine for one moment the effect of having individual writs of summons issued or individual requests made to obtain these numerous flag designs and models. Failing an order by the house for redelivery in a particular case, the government could again be faced with a writ of summons or a petition of right in many cases. I do not argue that a writ or petition would be issued in respect of each flag design or model, but there could be a sufficient number to make this house regret the day when the hon. member for Battle River-Camrose bestowed himself on his electors and inflicted this motion upon the house.

The likelihood is enhanced by the publicity which has already been given to this motion. I am sure that many authors of flag designs and flag models which have been submitted are now acutely conscious of their proprietary interest in their creative work, both by virtue of common law and by virtue of a federal statute, the Copyright Act. Furthermore, many authors who have sent in their submissions specifically requested that their designs be returned to them. Thus, to impound their creations by passing this motion would, I submit, amount to an inexcusable breach of faith as well as a breach of this federal parliament's own law.

I have grave doubts—and I am sure they are shared by most hon. members—whether flag designs and flag models come under the definition of "papers". I would think that the rule might be applied to the letters and the briefs or instructions which accompanied these submissions, but not to the actual artistic works themselves. Certainly with respect to some designs and models at least, they are not papers at all—they are articles. We have heard the Minister of Justice (Mr. Favreau) describe one as being executed on a piece of plywood; I think it was six feet by three feet, or eight feet by four feet. This is certainly not a piece of paper.

[The Chairman.]

All hon. members are aware—or they ought to be—that the guiding principle is that when papers are sought to be produced they should be of a public or official character, not of a private or confidential nature. In this case, the government did not invite, request or advertise for the submission of the thousands of models which have been sent in, as distinct from the case in 1946 when those who were asked to submit flag designs and models were told that they would be further submitted to a committee. In this case the government did not stipulate any use to which these designs or models might be put. They were sent in, for the most part voluntarily by public-spirited citizens who had a burning desire to see a distinctive national flag for this country. They were sent in also by professional designers and artists, all of them hoping, no doubt, that their work might be accepted either in whole or in part by the government when reaching its decision.

I believe, therefore, that implicit in the submission of each designer was the understanding that only after his work had been chosen, either in whole or in part, would there be any publication, reproduction, transfer or use of his design or model. Thus if it were thought desirable to produce and table these flag designs and flag models—and I do not agree with this assumption—I say that the only reasonable and proper thing to do would be to contact each of the authors and obtain a written assignment of ownership and copyright in each case. This would of course involve a delay of unforeseeable length, particularly because some of the authors would, no doubt, be extremely difficult to locate. In some cases, executors of estates would be required to sign. It is indeed unlikely that all the designs and models could ever be tabled with permission.

This motion has been a waste of the time of this house and it is no tribute to the mover's sense of responsibility or to that of his party. If, by some inconceivable circumstance, it were allowed to pass either in whole or in part, it would amount to a costly exercise in sheer futility. A flag design has already

been chosen by the government in pursuance of its commitment and responsibility. The situation as I see it is that the hon. member would like to hold his own beauty contest and select his own beauty queen, after the beauty queen has been chosen by the proper judges.

At this stage the motion would tend towards chaos rather than order in the field of choosing an official national flag for Canada. I am sure the house will see it simply as a clumsy attempt to postpone further the selection of a Canadian flag which should have been selected many years ago. The position of the mover with respect to this motion is currently far worse than it was last Thursday, because the parliamentary secretary to the Secretary of State (Mr. Stewart) in his usual inoffensive manner then offered to let the hon. member personally see and analyse all the designs and models in the hands of the department. The hon. member for Battle River-Camrose has not to date availed himself of this golden opportunity to exercise his flag picking fingers. Some people having this same opportunity might be tempted to design and obtain a copyright on the new game of "flagpik" and sell it to the Eskimos.

Mr. Speaker, without admitting that a flag design or flag model is a paper within the rules, I would probably not be so disturbed about this motion if it sought the production of flag designs or flag models within the public or international domains. I am thinking of such things as a black flag, either with or without the skull and crossbones, which in days gone by was the symbol of the pirate, or the plain yellow flag which was and still is the sign of infectious illness aboard ship—

An hon. Member: That is the Liberal flag.

Mr. Ryan: You are looking through a jaundiced eyeball when you say that. Another is the white flag, which is universally used as a flag of truce or to show peaceful intentions. Striking your flag, whatever its colour may be, denotes surrender. None of the authors of the private and confidential flags in question here have struck their flags, but the hon. member for Battle River-Camrose, to save his face and possibly his seat, should strike this nuisance motion.

Mr. Smallwood: A great contribution; you should be proud of yourself.

Mr. E. Nasserden (Rosthern): Mr. Speaker, I believe that seldom has parliament heard a more arrogant construction of straw houses than we heard today and the other day when this question was under debate. For members across the way to suggest that those who have sent flag designs to the Canadian Prime Minister (Mr. Pearson), to the Secretary of State (Mr. Lamontagne) and to parliament for consideration as the national flag sent them in confidence is indeed something that is very hard to understand, particularly when most of these designs have been given wide publicity not only in the localities from which they originated but in many other parts of the country as well. This afternoon we heard the hon. member for Spadina (Mr. Ryan) tell us that the government had chosen a flag and he suggested that no other flag should be given the same kind of publicity as that chosen by the government. Indeed he indicated, if I understood his words correctly, that the very fact the government had chosen a flag meant that parliament had already endorsed it—and that certainly is not the case.

Mr. Ryan: On a point of order, Mr. Speaker; the hon. member is speaking on a platform of thin ice and I think he has a little too much heat in his shanty, because I did not say that at all.

Mr. Nasserden: The ice may not be as thin as the hon. member tries to make out at the moment, when he takes a look at the words he uttered in this house a few minutes ago. All I want to say on this question very briefly is that the Canadian people should be given a chance to look at all the designs and these designs should not be hidden from them by an arrogant government.

Some hon. Members: Question.

Mr. Deputy Speaker: Order. Is the house ready for the question?

Some hon. Members: Question.

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

Some hon. Members: Yea.

Mr. Deputy Speaker: All those opposed will please say nay.

Some hon. Members: Nay.

Mr. Deputy Speaker: In my opinion the nays have it.

Motion negatived.

Mr. Deputy Speaker: I declare the motion lost, on division.

Mr. Smallwood: Trained seals.

Hon. J. Watson MacNaught (Solicitor General): Mr. Speaker, could I make a motion that public bills Nos. 13 to 70 inclusive stand?

Mr. Deputy Speaker: Is it agreed that these bills stand at the request of the government?

Mr. Rapp: I intend to go on with mine, Mr. Speaker.

UNEMPLOYMENT INSURANCE ACT

AMENDMENT TO PROVIDE FOR EMPLOYEES IN AGRICULTURE

Mr. Reynold Rapp (Humboldt-Melfort-Tisdale) moved the second reading of Bill No. C-45, to amend the Unemployment Insurance Act (agricultural employees' coverage).

He said: Mr. Speaker, I had not expected that my bill would come up today. However, as it has been on the order paper for many sessions and parliaments I am prepared to suggest to the house that serious consideration be given to bringing agricultural employees under the Unemployment Insurance Act. Agricultural employees are the only employees not covered by unemployment insurance. This creates hardship on farmers who want to hire employees in the spring or fall, but because these employees are not covered by insurance the excuse is made that when their seasonal employment on the farm is over they will find themselves in a position where they are unable to keep their families, because during the time they were employed their incomes were too low. Consequently these people are not available, and they will not be available unless agricultural employees receive the same coverage under the Unemployment Insurance Act as do other employees.

The excuse has been made many times both by the minister and other government officials that no action can be taken until the Gill report is received, so that they can study the recommendations made. I have not got a copy of the report before me at the present time, but I might point out that the report recommends that all employees be covered by unemployment insurance, provided there are the proper administrative procedures or processes available. I cannot see why the administration of unemployment insurance for farm labourers should be so difficult or so different compared with employees in other industries.

For many years we in the west, where agriculture is perhaps on a somewhat larger scale than other places, have run into difficulty at seeding or at harvest time when the rush is on, of being unable to get help. Many times farmers contact the unemployment offices in the cities to no avail. I should like the government to give serious consideration to the recommendation of the Gill commission to which I have referred, because the commission stress the point that agricultural employees and all other employees should be covered by unemployment insurance where the necessary administrative procedures are available. Therefore I ask the minister, or in his absence the parliamentary secretary to the Minister of Labour (Mr. Byrne), to give serious consideration to this problem.

I well remember that in another parliament when I presented this bill many members of the party which now forms the government wholeheartedly supported its purposes. Now that the Liberal party is in power, I should like the members of parliament who so vigorously supported my bill previously to stand up and speak in its support as they did before. This bill raises a serious problem. It is most important that farm labourers be covered by unemployment insurance.

The agricultural industry in the west is becoming more mechanized, as a result of which it is difficult to get employees who know how to operate these big combines, tractors and other machines. Many farmers have incurred great losses on account of being unable to get help. As time goes on I think the need for agricultural employees able to work on these big farms will become smaller.

In conclusion, I should like to direct the attention of the parliamentary secretary, in the absence of the Minister of Labour (Mr. MacEachen), to the Gill report and I invite him to tell the house that my bill, Bill No. C-45, will be sent to the committee for discussion, instead of talking the bill out, as I expect will be the case. At the same time I would urge the government to give serious consideration to this matter and bring farm labour under the Unemployment Insurance Act.

Mr. Lloyd Francis (Carleton): Mr. Speaker, I listened with a great deal of interest to the remarks of the hon. member in moving second reading of this bill. We are all sympathetic to any objectives which try to develop the broadest possible coverage to employees under the Unemployment Insurance Act, and which try to see to it that every class of employee in Canada in gainful employment gets equal protection and rights

under our social security legislation, of which the Unemployment Insurance Act is an important part.

As a member of the house sitting on this side I have some reservations in my mind about the piecemeal attack on the problem of amending the Unemployment Insurance Act. The hon. member who proposes this legislation made reference to the report of the Gill committee in which was a general recommendation that the principle of extending insurance coverage should be given sympathetic consideration. The government is looking very carefully and systematically at the recommendations in the Gill report, and we would be more than irresponsible were we not to do so. But it is the intention of the government at the earliest possible date to place specific measures before this house involving a fairly substantial series of amendments to the act and changes in the operation of the fund.

We all know what happened to the unemployment insurance fund. We recall rather painfully that in 1957-58 there was close to $1 billion in that fund. We also recall very painfully that in 1963 the fund had to borrow money from the government of Canada to sustain its operations, and at one particular juncture in 1964 we had a rather embarrassing experience concerning the approval of the necessary authorities to make payments under this act.

There is no question, when looking at the extension of coverage of unemployment insurance, that we have to look at the record of the industry which is being covered. We know the problems of agriculture, that agriculture represents declining employment, that at present it means increasing size of farm units. Increased mechanization is becoming more and more a part of agriculture, and agriculture requires more and more capital. It is for these reasons that we have been debating authority, under another piece of legislation, to provide additional capital loans to farmers in order to help them increase their efficiency.

We know there are times of the year, as was pointed out by the hon. member proposing this bill, when there is a shortage of farm help. We are of course well aware of all this; but it does not necessarily follow that we can take the simplest and easiest type of resolution, which simply says we will give these benefits to this category of employees. We cannot do that, in view of the history of the unemployment fund.

If we believe in the principle of unemployment insurance—and I am very sure there are very few hon. members in the house who do not—then it follows that when we propose amendments to the legislation we have to look in an over-all way at the fiscal implication of what we are doing. The bill before us does not do that.

It has one curious clause which I personally found difficult to understand, and though I am sure the hon. member has taken professional advice on the matter, I have some doubts in my own thoughts as to whether this would stand up in the courts. The problem relates to private members' limitations in regard to the initiation of money bills. This clause proposes to restrict the payments that could be made to the amounts contributed by private individuals, to make sure that the contribution from the government of Canada is not paid out. The hon. member is making gestures. Does he disagree?

Mr. Rapp: Mr. Speaker, I thought—

Mr. Deputy Speaker: The hon. member has already spoken in this debate but, on the other hand, if hon. members agree, he can certainly ask a question.

Some hon. Members: Agreed.

Mr. Rapp: Mr. Speaker, the hon. member for Carleton (Mr. Francis) has said this will probably not stand up in the courts. What is the difference between an unemployed labourer on the farm and an unemployed fisherman or an unemployed industrial worker? There is no difference, except that these classes have been covered under the Unemployment Insurance Act, and the farmers are the only large group that is not covered.

Mr. Francis: The hon. member asked me what is the difference. I have to say, of course, that if they had been included as part of the initial legislation, or as part of a series of proposals laid before the house by the government, there would be no problem; but there is a problem and this relates to the fact that it is initiated in a private member's bill. There is a reservation in my mind as to whether the type of solution proposed in this clause overcomes that difficulty. I do not know how you could make such a clause work, how you could restrict benefits which are paid out of the unemployment insurance fund and relate them in some way to private individual's contributions, exclusive of government contributions. The problem is

one of trying to identify contributions from a specific group and relate them to benefits, which is contrary to the principles established under the Unemployment Insurance Act in the form in which it has been developed, to date.

I am aware that in other parts of the world a factor known as experienced rating by industry has been adopted as a feature of unemployment insurance—

Mr. Rapp: Mr. Speaker, if you will allow me to draw attention again to the bill, I would like to read the explanatory note concerning this clause. It says:

> The unemployment insurance fund is 80 per cent private moneys and 20 per cent public moneys. To avoid having this bill infringe the rule against the introduction of a so-called "money bill" by a private member, this clause provides that employees in agriculture shall be paid benefits out of the contributions by private citizens (the employee and the employer) but not out of the contributions by the taxpayers.

This bill is trying to avoid making the government responsible for it. If the hon. member would read this clause and study it, I think he would know his argument is falling through.

Mr. Francis: I have read the clause and I come back to my point. It suggests a procedure which is foreign to the administration of the act today. It suggests you can somehow identify one particular group of contributions, and relate benefits paid to one particular category of beneficiaries to a particular group of contributions, and I am suggesting to the hon. member that this has not been one of the principles of administration during the development of the act.

As I was saying, there are parts of the world where a feature known as experienced rating has been made a part of social welfare or unemployment insurance. It has not been part of Canada's philosophy to incorporate this kind of thing into its legislation.

The provision which the hon. member proposes would suggest that the benefits which are going to be paid are somehow going to be limited by contributions which could be identified. I think I can read as well as the hon. member, and if he has a contrary interpretation that is his right. As a member of this house I can only say to the house that my interpretation of this clause raises a very serious doubt in my mind as to whether it is administratively feasible. I believe this clause is dealing with a point of principle in terms of our Unemployment Insurance Act which has been in operation since 1940—with a series of amendments—but substantially the same in principle. The hon. member, in attempting to bring his bill within the four corners of what is permitted to a private member, has done some things which I contend are contrary to the spirit and intention of the original act. For this reason I do not think it is sound to proceed in this way.

I come back to something which is more substantial and basic, and this is the intention of the hon. member in introducing this private bill. He is using the device of private members' hour to call attention to a problem. This is a perfectly legitimate thing to do. It is done on many occasions by many hon. members in different groups in the house, and to the extent to which the hon. member represents an agricultural riding and is bringing the problem of his electors and his riding to the attention of the house, he is certainly to be commended. I for one would be delighted to see the government, as part of its over-all package, make recommendations which would deal with the kind of problem the hon. member is bringing to our attention.

But I cannot help recall that the hon. member sat on this side of the house for some years. During that time a series of amendments that were rather general in character were brought forward on behalf of other groups, but apparently the hon. member was not able to use his persuasiveness with the ministers of his own government to get his problem remedied.

Mr. Rapp: We waited for the Gill report.

Mr. Francis: It is true the Gill report was an excuse for inaction, and that action was delayed far too long. We are now trying to cope with the Gill report and to bring in recommendations which are very sweeping in character and which can be implemented. There is no question in my mind, as a result of reading the Gill report, that a revision of the unemployment insurance fund is long overdue. Certainly it cannot be left just hanging in the air, particularly when the fund itself is so perilously close to being insolvent and is living from hand to mouth far too frequently.

I commend the hon. member for calling attention to the problem. It is perfectly legitimate on his part to use the device of drafting a piece of legislation, however imperfect, and dealing generally with the problem, as a means of calling attention to it. But we have to be responsible in this house too, and it is much too easy to say, "Let us do this;

let us give this benefit." In the case of the unemployment insurance fund we could not have a clearer warning that we cannot proceed in a piecemeal way without making the necessary fiscal recommendations for the solvency of the fund itself, to make it as solvent as it used to be at one time, to make it the kind of fund which serves the purpose of insurance and does not pervert the concept of social insurance to a form of welfare measure, which perhaps might be more appropriately administered under one of the other social welfare programs being developed in Canada. I for one cannot accept the bill before us. While the intention is perfectly legitimate and I have the deepest sympathy for it, I do not think that clause 3 of the bill achieves the purpose which the hon. member has in mind and in my view it negates to a substantial degree what he has tried to do.

Mr. Nasserden: May I ask the hon. member a question? Has the hon. member forgotten so soon that he was elected on the pledge to provide unemployment insurance for employees in agriculture?

Mr. Francis: I have not forgotten that in any way, but I do not think the way to bring about unemployment insurance coverage in agriculture is by a private member's bill containing such a clause as clause 3 in the bill before us, which purports to introduce a device whereby, within the four corners of what a private member can do, the hon. member introduces a totally new concept in the administration of the law. That is not my idea of how to meet the problem.

Mr. H. W. Herridge (Kootenay West): Mr. Speaker, the members of this group have long advocated the inclusion of agricultural labour within the terms of the Unemployment Insurance Act, and on that basis we support the purpose of the hon. member for Humboldt-Melfort-Tisdale (Mr. Rapp). I have no hesitation in complimenting him on his consistency, his persistence and determination, whether he is on the government side of the house or on the opposition side. I also compliment him on his ability to find it possible to make two or three speeches on his own bill during private members' hour.

I am going to be brief, Mr. Speaker, because I know the hon. member for Lotbinière (Mr. Choquette) is just bursting to rise. He represents a lot of farmers and I know of his sincere interest in their welfare and in the need for this legislation. I am sure he is going to support the members of the opposition in this case.

In my view the hon. member who has just taken his seat took a rather technical approach to this matter. I am not sure the method set out in the bill is the exact way we should do this, but the hon. member who introduced the bill has brought it forward in the only way he can as a private member. We know his intention and we know the necessity. I thought the last speaker took a rather technical approach, but I am sure his approach will not be the same when he goes around among the farmers of Carleton county. He lacks feeling for the farmers. He has a legalistic approach, which has been the reason for this matter being delayed for many years.

None of us on this side of the house wants to see something placed in legislation that is unsound or unfair or is going to cause an unexpected charge on the public exchequer. We know that this is a particular problem and we think it should be given early consideration, and that the whole question should be studied. I know that the farmers themselves do not want agricultural labour to come within the terms of the Unemployment Insurance Act and create an unfair burden on the rest of the taxpayers of the country, but we have discussed this subject year after year and nothing has been done to date to remedy the situation. I judge that the hon. member for Carleton (Mr. Francis) is not a farmer.

Mr. Francis: I was born on a farm.

Mr. Herridge: The hon. member in commencing his remarks almost suggested that the hon. member for Humboldt-Melfort-Tisdale was trying to commit a parliamentary fraud, but he did withdraw somewhat and compliment him tenderly before concluding. I can see that on reflection the hon. member for Carleton realized that the hon. member's intentions were of the best and that he was trying to do the best he could. I simply rose, Mr. Speaker, to express our support for the purpose of the bill and the hon. member who has proposed it. Now, Mr. Speaker, I am just dying to hear from the hon. member for Lotbinière (Mr. Choquette).

Mr. Pickersgill: Before the hon. member speaks, I wonder whether I could put a question to the hon. member for Kootenay West. Is he speaking for all the serried ranks of farmers behind him?

Mr. Herridge: Mr. Speaker, I am speaking for all the serried ranks of members behind me that understand the farm problems of this country and have always supported the representations of the farmers organizations in this house.

Mr. A. B. Patterson (Fraser Valley): Mr. Speaker, I am going to be very brief in speaking on this private member's bill. So far as the operation of the Unemployment Insurance Act is concerned, I believe it is the desire of every hon. member that Canadians everywhere, regardless of their particular vocation, should all share equitably under the provisions of this act. Therefore we support the objective and principle of the bill and commend the hon. member for Humboldt-Melfort-Tisdale (Mr. Rapp) on introducing it once again.

As has been pointed out today, we understand that the Gill commission report has advocated a thorough study involving the extension of unemployment insurance to agricultural workers. Farm organizations have also indicated their support of the principle. Therefore we feel that careful and urgent consideration should be given to this matter because it is hardly fair that those engaged in agriculture should be deprived of legislative benefits now extended to those in other industries. Therefore I urge the government to take this matter under immediate consideration and introduce legislation as soon as possible to effect the purpose of the bill now before us.

I can see that there may be some problem in the operation of the fund as outlined in clause 3. I should imagine it would be very difficult to put that clause into operation, but I do not think that any of these problems are insuperable if there is a will to surmount them. Therefore I think that what the government needs is the will to extend and expand the coverage to include agricultural workers, and we urge them to do that very thing.

Mr. R. R. Southam (Moose Mountain): Mr. Speaker, I am not going to take much time of the house at this particular juncture in the debate, but I rise to support this motion for the second reading of Bill No. C-45, an act to amend the Unemployment Insurance Act. In my first words I too wish to compliment the hon. member for Humboldt-Melfort-Tisdale (Mr. Rapp) for his persistence and studious effort each year in presenting this very important piece of legislation for the consideration of the house. In my view it is high time that the house took steps to adopt legislation to implement the principle involved in this bill.

Reference has been made to the Gill committee report. This committee was established by the former government, of course, to study the whole problem of unemployment insurance. Their report has been made and, like many other members representing agricultural ridings, I was disappointed to find that they did not make a definite recommendation that farm labour be included. I am thinking now of the members opposite who support the present government and who in the election campaigns of 1962 and 1963 went across the country telling the farmers that, if elected, they were going to bring in legislation amending the Unemployment Insurance Act so as to cover farm labour. I suggest to them now that they should make this promise good, take this matter under serious consideration and see to it that at the earliest possible date legislation is introduced into the house to provide unemployment insurance coverage for farm labour. That is all I have to say, Mr. Speaker.

Mr. Pickersgill: I wonder whether the hon. member would permit me to ask him a question. As an influential supporter of the former government a little over a year ago, did he urge such action upon the government he supported, and with what success?

Mr. Southam: We certainly did, and the minister knows quite well that because of our representations the Gill committee was set up to study the whole proposition. He knows what is in their report. As I said a few moments ago, members on that side went across the country suggesting in farm ridings that this was one of the first things they were going to do.

Mr. Nasserden: The Minister of Transport (Mr. Pickersgill) has also forgotten his promise.

Mr. Pickersgill: I have not forgotten what was in the Gill report about fishermen.

[*Translation*]

Mr. Auguste Choquette (Lotbinière): Mr. Speaker, this morning, we sat on the agriculture committee, this afternoon, we came back to agriculture to discuss farm credit and tonight, between five and six, the private members' hour, another bill on agriculture is presented to the house.

And yet today, which I might say is "devoted to agriculture", I am sorry to note the absence of the hon. member for Nicolet-Yamaska (Mr. Vincent) who always makes it a point to stress the presence of his colleagues, to denounce the absence of government members; and when agriculture is discussed during a whole day, when extremely important problems are discussed to help

the farmers, the hon. member for Nicolet-Yamaska is not here. His absence is unfortunate and I congratulate all the Liberal members who are here, especially the hon. member for Carleton (Mr. Francis) who made a very good speech, because he dealt with the matter quite objectively.

In fact, this bill to amend the Unemployment Insurance Act involves a measure quite acceptable in principle, because it is a very ticklish problem and our farmers often have cause for complaining about their plight, since they cannot draw unemployment benefits. If there are qualified workers, if there are people who spend their energy with dedication, with fearlessness, I might say, they are our farmers and they deserve from the government all the assistance they should get.

Let us read together the preamble of the bill:

> Whereas, since the coming into force in 1941 of The Unemployment Insurance Act, 1940, economic and social pressures and technological changes have reduced the number and increased the size of farm units and have swollen the migration of excess farm population to urban areas;

Such is indeed the case. This paragraph is well written and gives a clear account of the facts. A great number of farm units are being abandoned; the farm population migrates to urban areas, thus reducing—

[*Text*]

Mr. Alkenbrack: I rise, Mr. Speaker, on a point of privilege, to point out the most unethical practice being followed by the hon. member for Lotbinière. He mentioned the name of the hon. member for Nicolet-Yamaska (Mr. Vincent), my seatmate, who is unavoidably absent. I think that is very unfair and very poor practice on the part of the hon. member.

Mr. Deputy Speaker: Order. I may say that I have had the opportunity before of bringing to the attention of hon. members that they should not refer to the absence of other members. I am sure, as the hon. member says, this is a rather unacceptable practice and I feel members should stay away from it. On the other hand, I suppose the hon. member for Lotbinière felt he was justified in using this method of retaliation. I do feel that the moment an hon. member refers to the absence of another member he is, ipso facto, from that moment forward out of order. I certainly agree that members should always refrain from referring to the absence of other hon. members, which I am sure in most instances is quite unavoidable.

[*Translation*]

Mr. Choquette: Mr. Speaker, one cannot do otherwise than commend you for making such a ruling, because there is actually nothing shabbier than a member contriving to note the absence of a fellow member—

Mr. Deputy Speaker: Order. I would ask the hon. member to revert to the matter now before the house.

Mr. Choquette: Mr. Speaker, this ill-timed interference prompted me to make remarks that should really be avoided. I immediately revert to the matter and congratulate again the hon. member who has called the attention of the house to a situation which deserves serious consideration.

In my constituency of Lotbinière, for instance, there are a number of farm labourers who, having no farms of their own, are hired by farmers to do farm work. They are not farmers, but they are workers who would like to be covered by the Unemployment Insurance Act. Lacking the necessary security, they find themselves in an unfair situation, because once their employers are no longer in need of farm hands, they have nothing to fall back on. They have no protection whatever. A number of them came to see me, saying that they would like to draw unemployment insurance benefits and had applied to the commission. But since they were considered as farm labour, as farm hands, they were deprived of the security to which every citizen should be entitled.

That is why I agree with the principle of this bill but I suggest that the Unemployment Insurance Act should not be amended without further consideration.

[*Text*]

Mr. Deputy Speaker: Order; perhaps before I call it six o'clock I may be allowed to allude in one word to the reference made by the hon. member for Carleton (Mr. Francis) that the bill now before us appears to infringe upon the financial initiative of the crown. I wanted to say that there was some doubt in the mind of the Chair as to whether or not this bill was acceptable. On the other hand, in view of the very special circumstances under which the discussion was initiated, it was felt by the Chair that we should proceed with the discussion.

At this moment I only want to reserve the right of the Chair to express a formal opinion about the matter, if this bill appears again on the order paper or later comes before the house.

BUSINESS OF THE HOUSE

Mr. Deputy Speaker: It is my duty, pursuant to provisional standing order 39A, to inform the house that the questions to be raised at ten o'clock p.m. this day are as follows:

The hon. member for Winnipeg North Centre (Mr. Knowles), social assistance in Saskatchewan; the hon. member for Burnaby-Richmond (Mr. Prittie), date of payment of winter construction bonus; the hon. member for York-Humber (Mr. Cowan), airports, Malton, taxi service by Air Terminal Transport Service Limited.

FARM CREDIT ACT

AMENDMENTS INCREASING AUTHORIZED CAPITAL, MAXIMUM LOAN LIMITS, ETC.

The house resumed consideration in committee of Bill No. C-100, to amend the Farm Credit Act—Mr. Hays—Mr. Lamoureux in the chair.

At six o'clock the committee took recess.

AFTER RECESS

The committee resumed at 8 p.m.

Mr. Korchinski: Shortly before five o'clock the Minister of Agriculture suggested that some $230 million in loans—I believe that was the figure he used—have been taken out by farmers from sources other than the Farm Credit Corporation. I do not know whether it was his intention to give the impression that with the passage of this bill the situation would be corrected or not, but if this was his intention I wish to make a few remarks at this moment to suggest something to the contrary.

I am suggesting that the reason $230 million was taken out in loans from sources other than the Farm Credit Corporation or other sources, such as those available under the Farm Improvement Loans Act, is that the provisions of the existing act do not permit farmers to obtain loans. The minister is aware that some 55 per cent of those who have gone to credit advisers for loans have not been able to obtain them. It is for this reason that they are obliged to resort to other sources. Many farmers with whom I am personally acquainted have had their applications for loans turned down by the Farm Credit Corporation for one reason or another, in most cases because in the opinion of the credit adviser the unit which is proposed to set up would not be an economic one. I know that in many cases farmers have had opportunities to acquire land adjacent to their own. While it is true that this particular purchase might not result in an economic unit in the eyes of the Farm Credit Corporation adviser, the farmer himself might have seen a possibility that in a few years someone else might have some suitable land to sell, and that the loan would place him in a better position to set up an economic unit later on. But because he is refused a loan by the Farm Credit Corporation, and because he feels his opportunity slipping away, he turns to other sources for finance. Many farmers in this situation turn to sources such as the credit unions. I understand that in most cases the credit unions charge a higher interest rate than that charged by the Farm Credit Corporation. But these farmers feel that unless they go ahead and borrow the money everything they had planned and hoped for will be lost; their chances will have slipped by, and henceforth they will be going backwards instead of forwards.

A farmer who has not been able to get a loan under this legislation certainly will not be able to do so as a result of the amendment proposed now. Nothing has been done to meet such a situation as I have described, and I suggest that next year we shall be able to look up the record and find that the situation is unchanged, that these people have had to go to other sources, and that because of the attitude taken by the farm credit board there has been a refusal to make loans where the proposition does not lead to the establishment of an economic unit.

I suggest that what has happened with regard to the bill before us is this: The minister found that in a few days the corporation would be short of funds. Thus, he had to come to parliament and ask for more funds. This is a necessary step, and I agree with it. At the same time, the minister felt he should, perhaps, throw in a few amendments for the sake of appearances. This I believe is exactly what he has done. In the first clause we find what in future years will amount to a lawyers' bonanza. I am sure the minister is trying to get across to the country that he is doing something for the farmers, but we shall find that the situation as it affects the 55 per cent who have been refused loans by the corporation has not been changed.

If the minister had made proposals for the setting up of an appeal board, for example,

it would have been a move in the right direction. An applicant whose request for a loan had been refused by a credit officer could then turn to a group of people and put forward his case with a view to having the decision reversed. If the minister does not want to set up an appeal board, I will make another suggestion. He could arrange for applications to be heard by a group of, say, half a dozen people, as is done by the credit unions in every community. They have groups of interested people and they perform this service for nothing, in a sense. They would, possibly, be familiar with the operation which the applicant had conducted and would be in a better position to know whether or not he was a good risk. If it were felt that the man could be regarded as a fair risk, the decision made by the credit officer could be reversed. This would constitute one method by which farmers whose applications for loans have been turned down in the past might qualify. I suggest this is the area in which there is most irritation.

I might just as well put on record a few of the other objections I have to this bill; it will save my having to get up later. I understand that the loans which may be made above $20,000 to $27,000 under the terms of the bill may amount to something in the order of 7 per cent, according to the figures I have been able to get from the minister's department. These figures would indicate that a loan of $55,000 over a period of 30 years under the new provisions would cost over $12,000 in interest, and so on. The former Conservative administration set the rate at 5 per cent. If the rate is going to be in the neighbourhood of 7 per cent, it will cost a farmer over $12,000 more for a loan of the same size as one he might have obtained under the provisions of the act as administered by the former government. This is a great deal of money when one considers that for a $55,000 loan he will repay almost $125,000 in 30 years.

I have another question for clarification, Mr. Chairman. When a farmer obtains a loan of over $27,500 under part II of the act I wonder what rate of interest the corporation will apply in collecting the money. If the farmer has finished paying off $27,500 at a rate over and above 5 per cent, will he be paying a lower rate of interest every year or will the calculation be made in such a way that each year the payments will be at the same rate? One other objection I have to the increase in the interest rate is that it will be a deterrent to the borrowing of money. Farmers will hesitate if the interest rate is higher than it was the previous year; they will say, "Perhaps it will be lower next year, so I will not get a loan this year". This in itself will have a deterring effect. I think the minister wants to leave the impression that he is doing something for the farmers, but certainly this provision, whereby the farmer will not know what the rate is going to be and will perhaps assume it will be lower next year, will mean he will not rush in to get a loan and in many cases this could mean he would be giving up an opportunity that might never again occur in his lifetime.

I wonder whether the minister would consider giving at least an idea as to whether the interest rate will be set for one year and the next year it might be changed, or whether interest rates will be changed monthly or every half year. These are just a few of the objections I have in this connection, Mr. Chairman, and any other questions I have I will raise at the appropriate time.

[*Translation*]

Mr. Caouette: Mr. Chairman, I should like to say only a few words on clause 1 of Bill No. C-100.

The day before yesterday I said that the purpose of this bill was to encourage and to assist the family farm, the small farmer. We feel, Mr. Chairman, as I pointed out the other day to the Minister of Agriculture (Mr. Hays), that the time has come for the government, not to show compassion for the condition of eastern farmers, but to give them a fair and equitable treatment.

When we refer to farming, in eastern Canada, at the present time, we mean chiefly the ARDA program. I can see a full-fledged minister who could deal with the farmers' problem regarding the ARDA program; the government's advisers claim to help agriculture by getting rid of several small farmers, going in for farm centralization as never before in Canada which means that a prosperous farmer could take over a number of farms around his own and turn those dispossessed farmers into ordinary employees.

Mr. Chairman, in this era of automation, technology and machines, the minister who is actively involved with the ARDA program at the present time will eventually be able to deal with a larger movement of farmers who have become employees and who will become then regular unemployed or people living in the most abject misery. Why? Because we are now trying harder to dispossess

them, allegedly because they cannot live on the income from their farm. Everyone knows that and everyone knows that in eastern Canada, in Ontario, Quebec and the maritimes, the farm problem is becoming more and more acute, harder and harder to solve because of the methods and suggestions coming from the government.

That reminds me of the Quebec farmer who took the plane for the first time and who, while flying at 15,000 feet—

Mr. Boulanger: That is an old one.

Mr. Caouette: My hon. friend from Mercier (Mr. Boulanger) says that it is an old one; it is younger than he is. Anyhow, the farmer walked into the washroom and saw written above the door: Please do not use over towns and villages. Quite naturally the farmer said to himself: "That's it! It is us, farmers, who will get it again on the head."

The solution offered by Bill No. C-100 rather confirms the fears of the farmer in the plane.

Mr. Chairman, any legislation to assist agriculture should not tell the farmer what he must do but should provide the latter with the means to do as he pleases and to plan his operation as he sees fit. No one in Canada is in a better position to appreciate the farmer's problem than the farmer.

Even though the Minister of Agriculture owns farms in western Canada and employs a lot of people, such as a managing-director, a sales manager, etc.—

Mr. Gauthier: He is no longer a farmer.

Mr. Caouette: —as my hon. friend for Roberval just said, he is no longer a farmer but a contractor. However, the man who operates his own farm knows what he needs.

I would say the same thing about the Minister of Forestry (Mr. Sauvé), who is responsible for ARDA. It is easy for one who has never been a farmer to tell the farmer what to do. But Bill No. C-100 should give the farmer the means to set up his farm as he sees fit, the opportunity to operate and modernize his farm and to plan and improve his farm production.

The clauses of this bill should include ways of actually helping the farmer. But, no. We have, as I said on many occasions, economists like my excellent friend for Matapedia-Matane (Mr. Tremblay), others like my very good friend the Minister of Forestry (Mr. Sauvé), especially of the forests of Îles-de-la-Madeleine, able to suggest plans to farmers. We are satisfied and we rejoice when we see

the ARDA program being organized in eastern as well as in western Canada, but ARDA was more particularly established to help underdeveloped and depressed areas of our province.

We have had a great number of agricultural plans from economists, sociologists and others in Canada for the last 25 or 30 years. Suggestions and plans have not been lacking. But there has been a terrible and complete lack of suggestions liable to really help the farmer.

Of course, we have heard these people, like others, during election campaigns, bewailing the farmer's lot, stating energetically that farming was the basis, the foundation of the whole economy and of the social and economic structure of this country. However, in 1964 more than ever, we find that agriculture is slowing down, that the farmer is getting less recognition than ever, that the farming class is the most scoffed at and the least considered, the most ill-treated by the government at present.

Mr. Chairman, the farmer deserves more than what he is getting at the present time.

The other day, I referred to some facts concerning colonization and agriculture. In those days, with the assistance of the federal government, we implemented plans like those of Rogers, in Ottawa, and Auger, in Quebec, to promote the back-to-the-farm movement in the northern part of the province; we told people living in the cities of Montreal, Rimouski, Three Rivers, Quebec and elsewhere: Come and settle on farms, join the back-to-the-farm movement; it is the only way to fight effectively against the unemployment crisis in Canada. At that time, especially during the years 1934 and 1935, we promoted colonization in the province of Quebec and in some other provinces. Today, we visit those same settlements where 200 or 250 families had settled in 1934 and we find hardly 50, 60 or 75 families. Why? Because the farmer can no longer earn his living on the farm. In fact, he has to leave it, wander in the bush and work in mines or in factories, in order to earn enough money to allow him to carry on the operation of his farm, where he can no longer earn a livelihood for himself, his wife and children.

Mr. Chairman, is this Bill No. C-100 likely to help that farmer? Is it also likely to help to house or to settle farmers on those farms which have been vacant for ten years? No.

A bill is introduced which in its simplicity tells us all the good will of the Minister of Agriculture to help the farmer by allowing

him to borrow larger amounts than he used to do in the past, to help him in borrowing for his son or a member of his family who wants to settle on a farm.

But such is neither the problem, nor the solution.

Even if we would help with $10,000, $15,000 or $25,000 a farmer to settle his son or settle himself, if he had no assurance that he will be able to sell his production, in five, ten or 15 years from now, we will still be faced with a more acute problem, more serious than the one facing us now.

As I said, there are possibilities to help the farmer, but not with half measures, nor by introducing in the house a bill like Bill No. C-100, because in itself this means that it is absolutely necessary to increase the indebtness of the farmer.

I had the opportunity to visit farmers in western Canada. I went to Saskatchewan, Alberta, British Columbia and also to Manitoba. I saw there farmers who though owning thousands of acres of land, nevertheless have been deeply in debt for the past 10 or 15 years, since the massive crop failures, or since some crops did not sell, or ever since the crops have been sold to China, or communist Russia.

The problem of the western farmers is far from being solved. The same is true for the problem of the eastern farmers which was never considered until 1964.

I very much doubt that the Minister of Agriculture is quite aware of what is happening in eastern Canada. I am rather inclined to believe that the minister who is actively responsible for ARDA knows more about the needs of the eastern farmers in this country than the present Minister of Agriculture. That is, to a certain extent, why my good friend, the minister responsible for ARDA was, earlier today, sitting beside the official Minister of Agriculture, to brief him on what is happening in eastern Canada, and more particularly in the province of Quebec.

The bill in which we are asked to award generous, or more important, loans to farmers, has our approval, except for one or two clauses where we cannot accept the interest rates suggested by the Minister of Agriculture.

It is not only in respect of the Department of Agriculture that we object to interest rates which will double any debt in 20 years and treble it in 25 years. We are opposed to all those interest rates suggested by any department or minister who would introduce such bills.

We are in favour of the spirit or the principle of this bill which is aimed at helping the farmer, but we are firmly opposed to the hidden spirit of the bill, which is to take unfair advantage of the farmer. We are going to stand up against it. In fact, we are going to move—I think the hon. member for Compton-Frontenac (Mr. Latulippe) is going to do it —an amendment to do away with the rate of interest which will oblige a farmer to repay 20 years from now twice the amount borrowed in 1964.

This is all I have to say on the bill at this stage. When the agricultural question is more thoroughly discussed, I will come back to it, and I hope that the Minister of Agriculture will listen carefully to our suggestions. In certain circles, there is still a tendency to ridicule our suggestions and proposals, but the time will come soon when the minister, as well as the government, will have to face the financial problem which prevents agriculture to progress as it should, as the system which prevents all departments, the Canadian legislation and all Canadian economy from developing as it should be possible in our country.

Let us save agriculture first and then we will save the whole country.

[*Text*]

Mr. Nasserden: I shall be very brief, Mr. Chairman. One thing just occurred to me after I sat down, and it is with regard to the $235 million which farmers receive at present from sources other than government sponsored lending services. I believe the minister sought to leave the impression that this legislation would take up most of that slack, if you want to call it that. That was a misleading impression to me because most of the people who have borrowed this money have gone to other sources as a last resort. In many cases they first approached the banks, the farm improvement loans authority, the Farm Credit Corporation, credit unions and so on, and when they exhausted these they went to other sources to get the money, sometimes at higher interest rates.

If I draw the right conclusion I take it the government will have legislation to introduce to increase the amounts available under the Farm Improvement Loans Act. Such legislation, in my opinion, should have come before us prior to this bill. On reading clause 16 in particular I cannot help but wonder whether the government is contemplating an increase in the interest rates on farm improvement loans. Could he let us know whether this is so or not?

Mr. Hays: Mr. Chairman, when I indicated that farmers used $235 million worth of credit over and above government sponsored

loans, I should have made it clear that we hope, with the three pieces of legislation we are going to bring before parliament, they will take care of most of it. We know this particular piece of legislation will not take up all of the $235 million, but our best studies indicate it will take up a substantial portion. I am sorry we cannot discuss the legislation that is yet to be introduced. We have to deal with what is before the committee this evening, but within the next ten days I hope some amendments will be placed on the order paper concerning the farm improvements loans legislation.

Mr. Pigeon: Can the minister assure the committee that the interest rate will be maintained at 5 per cent, thus continuing the same policy we had?

Mr. Hays: The amendments make no change in the previous loans. So far as the original $20,000 is concerned, the interest rate will remain at 5 per cent, and so far as the supervised loans to $27,500 are concerned, it also remains at 5 per cent. But we indicate that on the additional $20,000 it will be lent at an economic rate, which will require an extra .87 of 1 per cent, which is the cost now so far as the 5 per cent loan is concerned. We do not expect this will be much larger, and it will be plus an amount for bad debts.

If this bill were to pass tonight and become law immediately, a farmer taking advantage of it to borrow $55,000 would borrow $27,500 at 5 per cent, on which he would pay $1,817.75 per year, and his payment on the additional $27,500 would be $2,131.25. Further, if he got it amortized over a 30 year period the total amount he would pay would be something less than $4,000 per year. If you put that down on a $40,000 basis it comes out at about $3,000, or some such amount.

Today the government is paying 5⅜ per cent for money for crown corporations, and added to this would be .87 of 1 per cent, which is the cost of operating the Farm Credit Corporation, and which I might say is less this year because, as the total amount becomes more, the cost of operations goes down.

I have a chart in which the hon. member might be interested. Starting back in 1955 it cost 1.390 to operate the old farm loan board. Then in 1960 it amounted to .87 of 1 per cent. In 1962 it went to .945 per cent and in 1963 it is .968 per cent. This year we were able to reduce it to .87 of 1 per cent. Therefore this would be added to the $27,500, plus a reasonable amount, which would not be over one quarter of 1 per cent, probably closer to one eighth of 1 per cent to take care of losses on those amounts of the loans which exceed $20,000 and $27,500.

There will be no change in this particular amount, but we thought, when it came to the point where a farmer would use more than this, then he should be expected to pay an economic rate and not a subsidized rate.

Mr. Pigeon: I address my question to the minister because he knows very well that the income of farmers in eastern Canada is very low. I appeal to the minister and the government not to change the policy with respect to the 5 per cent loans. We spend lots of money on defence, and I urge the minister to adhere to the policy of 5 per cent interest rates on loans to farmers.

Mr. Hays: We feel quite strongly about this and we believe the farmer should be looked after, but when he gets a loan over $27,500, a supervised loan, we feel it should be made at an economic rate. When I speak of an economic rate I mean the amount which the government has to pay for money it borrows, plus the cost of operating the Farm Credit Corporation and a reasonable amount for bad debts, possibly not more than one quarter of 1 per cent, and probably not less than one eighth of 1 per cent. This would give us an opportunity to take more risks so far as loans to farmers are concerned.

Again I go back to the study which the Quebec department of agriculture made. With all respect to my hon. friend who has just spoken, I am a little familiar with farming in eastern Canada. At one time I owned six farms in eastern Canada and I had to make a living farming.

Mr. Pigeon: How often have you visited the province of Quebec since you became minister?

Mr. Hays: In all humbleness, I have been to many of the farms in Quebec, and discussed agricultural problems with the deputy minister of agriculture from Quebec. The Quebec study indicates that their whole salvation is dependant on larger economic units. They feel quite keenly about this. They feel that a farmer, if he is a milk producing farmer, must have at least a minimum 100,000 pounds contract a year, with a 100 acre farm, to make a go of it.

If he is going to produce beef cattle, if he is involved in a cow and calf proposition, then he has to have a minimum of 50 cows

and at least 300 acres. I might remind hon. members that from 1941 to 1956 we lost an average of 1½ per cent of our farmers per year to the urban centres, and in the period from 1956 to 1961 we lost 3½ per cent of our farmers because of their moving to urban centres. This process is just not going to stop. The number of farmers moving off the land is going to increase. I do not think there is any doubt about that. So far as the interest is concerned, we feel that this is the proper approach and we would hope that hon. members would feel the same as we do.

Mr. Pigeon: One last question. Suppose under the bill you fix the interest rate at 5 per cent with no restriction. What amount of money will the government lose if the interest rate is fixed at 5 per cent generally?

Mr. Hays: In the operation of the corporation last year the amount was something over $1 million, which represented the difference between what the corporation had to pay for money and what it received on loans, plus the cost of operation. I do not have the exact amount but it was very close to $1,100,000. Above the $20,000 and $27,500 the increased rate would apply to the extent that the borrowings were above those figures.

Mr. Pigeon: Mr. Chairman, I address this question because I remember that the late C. D. Howe said in the house a few years ago, "What's a million", in regard to the army and navy. However, so far as the farmers are concerned the income of farmers in eastern Canada is so low that I think it is the duty of the minister and the government to make sacrifices for the farmers. The average income of eastern farmers is about $1,200 a year. That is why I address this question. We spend $1½ billion for defence, and I am surprised at the minister's interest in the farmers when the income of eastern farmers is so low. I prefer to fight for Canadians rather than to spend money for nothing sometimes.

Mr. Douglas: I do not want to detain the committee but I want to make an appeal to the minister that, when we come to the sections dealing with the matter of putting a limit on the amount of money which can be borrowed at the flat rate of 5 per cent, he give some thought to removing this provision which he has introduced so that the full amount that is borrowed will carry a flat rate of 5 per cent. As the draft now stands, after $20,000 under part II and $27,500 under part III the borrower will have to pay the economic rate.

I have taken the figures the minister gave of 5⅜ per cent plus .87 per cent and this works out to 6.245 per cent or virtually 6¼ per cent. This is a pretty stiff interest rate for a farmer to pay. I see no real reason why this cut-off figure should be introduced at all. I see no reason why farmers should be able to borrow at 5 per cent up to a certain amount and then have to pay virtually 6¼ per cent for the balance of their borrowing.

In the case of some big farms where a number of young farmers go together to farm co-operatively, they will require the maximum amount they are entitled to borrow if it is a large co-operative farm, but on $27,500 they will pay 5 per cent and on the balance of the loan they will pay 6¼ per cent. It seems to me that no good reason has been given by the minister for making this differentiation, and before we come to the section I hope the minister will give some consideration to providing that the entire loan will be at the flat rate of 5 per cent. I can see no economic reason whatsoever for making this distinction between the first part of the loan and the second part of it.

The minister has referred several times to the drift of farmers from the farms to the cities and cited the figure of 1½ per cent over a period of years and 3½ per cent from 1956 to 1961. This is certainly a serious transfer of population from rural to urban areas and it is definitely not going to stop. All I want to say to the minister is that in passing this legislation I hope he is not under any illusion that the increase in the ceiling of loans is going to stop this drift. The drift will not stop until the government is prepared to tackle the major problems that concern farmers, the matter of farm income and farm costs.

From 1951 to 1963 farm income in relation to farm costs declined steadily. The index commodity figure for almost everything the farmer buys has been going up, and proportionately the index commodity figure for the things the farmer has to sell has gone progressively down. While everybody will welcome the idea of increasing the ceiling on loans, and the minister is to be commended for introducing this provision, I hope the house is not under any illusion that increasing the size of the loans which farmers may obtain from the Farm Credit Corporation will in any way stop the drift of population or will in any way solve the basic problems which face Canadian agriculture today.

Mr. Cardiff: Before we proceed to change the act would the minister answer this question? How much money has been lost since the act came into being in 1959?

Mr. Hays: I think the figure is something like $6,000 a year. Inasmuch as the number of loans has been rising rapidly, it is a negligible amount. The hon. member is talking about bad debts, not about operating costs?

Mr. Cardiff: The money that has been completely lost.

Mr. Hays: It is very small—about $7,000 per year.

Mr. Horner (Acadia): Before we proceed with the details of the bill I should like to comment on what the minister said with regard to the $235 million. He suggested the bill would help to alleviate outside borrowing of this $235 million. Surely he must realize that the greater part of the $235 million is short term credit. He himself has said, as found in *Hansard*, that the act is in no way designed to meet the short term credit requirements of farmers.

I am also concerned about his remarks a few minutes ago with regard to the $27,500 limit. He suggested that an interest rate of 5 per cent was a subsidized rate. He suggested, too, that anybody borrowing more money than $27,500 did not need the subsidized rate. Do I gather correctly from his remarks that anybody borrowing more than $27,500 was borrowing for an operation large enough that he did not need the subsidized rate and could well afford to pay what he termed the economic rate? If this is so, then I can only assume that the large amounts of money provided by these amendments are, in the opinion of the minister, a direct help for the large farmer. This is what I have suspected all along.

Certainly, the minister suggests that 5 per cent interest on $27,500 is a subsidized rate and that anybody borrowing more than that can well afford to pay the going rate. If I interpret him correctly, the going rate will be 5¾ per cent plus .87 per cent, plus ¼ per cent for bad debt writeoff. This would make the total interest close to 6½ per cent. If one takes the difference between 5 per cent on $40,000 or $50,000 and 6½ per cent on the same amount of money over a 30-year period, he will find that it amounts to close to $15,000 more the farmer is going to have to earn from saleable products to pay the interest. I should like to see a provision for the 5 per cent interest rate written into the bill.

The minister said that he gathered from my remarks that I was against raising the ceiling on loans to $40,000 and $55,000 under part III. I am not against it. However, I have a suspicion that in doing this we will narrow the field of the Farm Credit Corporation. I appreciate the fact that there are many young farmers who, in buying a well established farm, will need more than $20,000 or $27,500. I suspect that these amendments will narrow rather than broaden the field of activities of the corporation. I gather from the minister's remarks that anybody borrowing less than $27,000 does not have an economic unit and therefore deserves the subsidized rate, whereas anyone borrowing more than $27,500 has an economic unit and can borrow at what he calls the economic rate. I suggest this is not a good rule of thumb to apply. There may well be many a young farmer who wishes to buy his father's farm or his neighbour's farm, and who may well need to borrow $40,000. However, such a farmer will need a stabilized rate of interest at 5 per cent.

I should like to think that the minister wholeheartedly believes that agriculture needs a stabilized rate of 5 per cent. I suggest this in all seriousness. Let us suppose that a young farmer under 45 years of age wishes to buy a farm. He is prepared to buy a farm that is a going concern, which will cost about $40,000. If these amendments are passed the farmer can borrow $40,000 from the Farm Credit Corporation. However, he could also borrow $27,000 at 5 per cent from the Farm Credit Corporation and borrow the other $13,000 to buy equipment from the bank through the Farm Improvement Loans Act, after the government has increased the amount available under that act. He can borrow this money at 5 per cent, too. He therefore saves himself money by breaking the deal into two parts and borrowing the total amount at 5 per cent interest rather than paying the 6½ per cent on that additional $13,000.

If the minister follows my quick calculations, I am sure he will realize that in introducing this bill providing for two rates of interest he does not simplify farm borrowing; he complicates it. He does not do away with the red tape which the farmers hate so much; he adds to the red tape and the difficulties connected with acquiring a loan. I am very much afraid that he aids more large farmers than he does small ones.

There is another point I hope the government has considered, and that is the effect the availability of these large amounts of

money will have on the cost of land. We farmers realize that the price of land has risen tremendously in the last few years. The high cost of land is, perhaps, beneficial to those elderly farmers who are about to sell their property. However the high cost of land is a burden which the practising farmer must bear, and it brings him no real benefit. Certainly there is some fear in my mind as to the effect this $40,000 and $55,000 provision will have on the price of land. This fear was substantiated when the farmers union was in Ottawa about a month ago and suggested that the ceiling on loans from the Farm Credit Corporation remain as it is. They thought if there were an increase it would cause a tremendous increase in the price of land. I throw out this suggestion to the minister and I hope he and his officials will consider it, because the cost of land has risen tremendously in the last six or seven years. It is a burden around the necks of the farmers now operating land and certainly we, as legislators, do not want to add to this burden in any way.

While I believe that the amendments may be needed, I do not think the interest rates should fluctuate on the higher amounts. If the minister is determined to increase the ceiling on loans to $40,000 and $55,000, and I am not opposed to that although I do not believe the increase needs to be that high, then the interest rate should be spelled out in the bill. It should remain at the flat 5 per cent which is the rate charged for a farm improvement loan. If an increase is brought about, that will not necessarily reduce the loss the Farm Credit Corporation has suffered this year and the year previous.

I can remember that when I first came to Ottawa the old farm loan board was making money and, in fact, paid income tax I thought this was an error. While we have not seen much evidence of it yet, this government was supposed to be against high interest rates and was going to make every effort to reduce operating costs. Perhaps in the foreseeable future the government will be borrowing money at less than 5 per cent and will thus reduce the loss suffered by the Farm Credit Corporation. I can see that with the amount of money the Farm Credit Corporation is lending and the amount that is being repaid them every year, they will be able to lend money at 5 per cent in the near future and still break even. This is all we want to see them do. I hope that before we continue a clause by clause study of this bill the minister will make a decision with regard to the 5 per cent interest rate which will be applicable to these larger loans. I should like to see the government set the rate of interest by statute on all moneys borrowed from the Farm Credit Corporation.

Mr. Douglas: Before the minister answers, I wonder if he would clear up this point with regard to the interest rate which is to apply on that portion of the amount in excess of $27,500? Perhaps I misunderstood the minister. I thought the .87 per cent included losses. Do I understand that in addition to the .87 per cent there is still an amount to cover losses, and if so, how much is it?

Mr. Hays: We say that the proportion for losses will not be more than one quarter of 1 per cent. It may be as low as one eighth. Throughout the years the Farm Credit Corporation has borrowed money as low as 4½ per cent, and still indicated 5 per cent. This is natural. It may be that at some time in future years we shall be borrowing again at 4½ per cent and, of course, the farmers would receive the benefit of the lesser rate.

Mr. Douglas: Does this mean that if the government has to pay 5⅜ per cent it will add .87 per cent plus either one quarter or one eighth of 1 per cent for losses, so that this money will cost the borrower either 6⅜ per cent or 6½ per cent on these larger sums?

Mr. Hays: That is right. It is the same as the National Housing Act provisions. I think that a farmer who needs $27,500 over 20 years is in much the same position as a truck driver or the owner of a supermarket who is buying his house through the N.H.A. He also pays 6¾ per cent, and up to 7½ per cent.

Mr. Douglas: Is he in the same position as a man who borrows money under the Small Loans Act which parliament has on the statute books?

Mr. Hays: I should point out that our statistics indicate that farmers pay between 10 and 15 per cent on the $235 million which, as I mentioned earlier, are borrowed outside the Farm Credit Corporation.

Mr. Horner (Acadia): On short term loans.

Mr. Hays: As far as farmers are concerned, we have been able to borrow as low as 4½ per cent. The amounts we are speaking of are subject to repayment over 20 years and the rate would be 5⅜ per cent, as I indicated earlier.

When we were putting together the amendments to this act we were thinking about

eastern farmers in particular, farmers in Quebec and adjacent areas. Take a unit in Quebec of 300 acres of land; we know that in most of these areas grass will support between 50 and 75 cows on a unit of this size. If farmers are engaged with a cow and calf proposition, add something like one and a half tons of hay throughout the winter. If they are trying to sell the calf as part of an operation where it is given to the feeder, gross earnings from this land would be about $7,500 a year. If a farmer were to borrow $40,000, his payment on the first $20,000 would be $1,322 a year and his payment on the other $20,000 would be $1,551, so his gross payment plus taxes would be $2,873. If he were a fairly good operator and he had a good average crop he should net somewhere between $4,000 and $4,500. This process would certainly lift him out of the economic position in which he finds himself today, a position which it is almost impossible to sustain. It is very similar to the project in the Abitibi area on which ARDA was doing a lot of work this year. In this instance the farmer had a minimum of 50 cows. We felt this would be a step in the right direction, together with other bills and amendments such as farm improvement loans, the machinery bill, and so on. This will not mean a cure overnight but it seems to me it is the proper approach.

Mr. Horner (Acadia): A millionaire's approach.

Mr. Hays: Well, the hon. member can speak for himself. I know he does not need this sort of loan—he owns half of the Hanna district; I realize that. My feeling is for the farmer and I think we can do something for him on this basis.

In answer to the hon. member's question in connection with interest rates, we think it is reasonable to think that the man who can afford this $25,000 will receive a good deal less criticism if he can stand up and face the world and say: I am paying what I am supposed to pay and I can make a living doing this.

Mr. Douglas: I was thinking that we do not make this kind of distinction in connection with the Small Businesses Loans Act. As I recollect it, loans are made there up to $50,000 and I am almost certain—I read the act some months ago—that there is no distinction between the rate of interest for any part of the loans. The loans are guaranteed by the government at a fixed rate of interest and it is not required that up to $27,500 one interest rate will be charged and that over this amount another rate will apply. It seems to me that when we are making loans to farmers the same interest rates should apply throughout. Why do we make this distinction with reference to farmers borrowing these larger sums? The ceiling for the farmer in part II of this bill is lower, as I recall it, than the ceiling in the Small Businesses Loans Act.

Mr. Hays: I am busy trying to run the Department of Agriculture. They have not promoted me that far yet.

Mr. Douglas: To close the matter as far as I am concerned, let me say that the minister may be busy running the Department of Agriculture—that, of course, is his job—but the government surely has the responsibility to preserve some degree of equity in treating the different economic groups in Canada. It seems to me that in the new provisions which the minister is introducing he is inserting a principle which is different from that which applies to other economic groups and I hope when we get to the various clauses he will reconsider his stand on this matter.

Mr. Horner (Acadia): The minister indicated that the increase was intended particularly to aid farmers in Quebec and to help them establish economic units. Can he tell the committee how many loans were made, or what percentage of the loans was made, to farmers in the province of Quebec at the present limit of $20,000?

Mr. Hays: In the year 1962-63 the average loan in Quebec was the highest in any province of Canada, with the exception of British Columbia. There is a great need, and these people appreciate how to use credit. I think this is the very thing they need to help them out of many of their difficulties. The government of Quebec has recognized this with regard to these loans of $20,000 by paying 2½ per cent of the interest rate. I think this is something other provinces should consider in their programs to help farmers.

Mr. Horner (Acadia): In what province were the highest losses? Did they correlate with the highest loans? Can any comparison be made?

Mr. Hays: When we are considering a total sum of approximately $350 million and losses amount to only $6,000 I would say they are negligible in every province. I suppose I could get those figures.

Mr. Horner (Acadia): Do I gather from the Minister's remarks that he thinks farmers borrowing more than $27,500 can well afford to pay these high interest rates? This is the impression I had. Is it a correct impression?

Mr. Hays: Yes. I think it is a big step forward, when we know he was paying between 10 per cent and 18 per cent for this money.

Mr. Horner (Acadia): You do not know anything of the kind. You suggested that $235 million was borrowed outside the Farm Credit Corporation; but these were short term borrowings, not long term. I gather from the minister's remarks that he believes anybody borrowing $27,500 is a big farmer and can well afford to pay a higher rate of interest. This is my interpretation of the minister's remarks, and I would like to know if this is correct.

Mr. Hays: As I suggested, we are not changing what has taken place before. The farmer can borrow $27,500 at 5 per cent; the act will not change. What we are doing is broadening it to help the farmer who is operating a good, economic unit. There is provision in the act whereby under certain circumstances you cannot even borrow money. I do not suppose the hon. member could obtain a loan; he is in such good shape that he would not be permitted to borrow money under this act. But this provision is for farmers who need help. I am saying, Mr. Chairman, that we are not changing this provision, but any additional amount shall be borrowed at an economic rate. I think this is justifiable and we stand behind it. I think the farmers will accept it and will think it is a great deal better than they had before.

Mr. Horner (Acadia): Mr. Chairman, the minister has perhaps led the house to believe that I am not in need of a loan. I would like to correct that false impression; I certainly am in need of a loan. I live in the dry part of Alberta where the grass is short and the water is scarce, and if the minister can do anything to help us in that area, I would greatly appreciate it. If he could give me a loan under the Farm Credit Corporation, my banker and I would both greatly appreciate it, but being a member of parliament I am excluded from obtaining a loan. However, I would like to think that many of those borrowing more than $27,500 would be small farmers, young farmers who need that much money and cannot afford to pay a high rate of interest on a high borrowing. This runs into a terrific amount of money. As I suggested, the difference between a $40,000 and $55,000 borrowing is $15,000 over 30 years, which comes to something like $500 more interest each year than a young farmer who is buying an economic unit would have to pay in interest alone to Harry Hays & Company, if I may use that term. I say that this high rate of interest on high borrowing is a millionaire's approach, and only a millionaire would think this would benefit the small farmer in any way, shape or form.

[*Translation*]

Mr. Gauthier: Mr. Chairman, I shall not be very long, but I want to say a few words on Bill No. C-100 to support the suggestion made by the hon. member for Mackenzie (Mr. Korchinski)—which, to my mind, seems most logical—to set up, if need be, an appeal board concerning loans of the Farm Credit Corporation.

A while ago, the minister said that he knew the Quebec region fairly well and he even informed us that, at one time, he had owned five farms in that region. That assertion puzzles me a little. I wonder whether he owned those farms to operate them or to trade them. There are so many of those people, especially in my riding. Indeed, I could name large land buyers who have never seen the colour of the land and evidently never farmed it, and who own up to 40 lots in my region. The fact that they own them is precisely detrimental to those lots, since they bought them for a few hundred dollars from their owners, and they claim three times what they paid. If that is how—I do not mean, far from it, that he proceeded in that way—but if that is how the minister, at one time, owned farms in the province of Quebec, I don't agree with him at all, because we have too many of those people who own farms and who are not farmers.

What we want—and let us hope this will be made easier by the amendments brought in to Bill No. C-100, is to establish average units, but not everywhere, obviously, because all Quebec farmers would not benefit from them. In fact, most of our farmers own family farms, and we cannot rely on those larger units the Quebec minister is now trying to lure us with, those units of at least 500 acres.

If you want our Quebec farmers to stop thinking of the land and of the family farm as it stands now, if you keep on trying to impose upon them a minimum of 500 acres

for each farm, all you have to do is to introduce here the Russian plan and your success is guaranteed.

As for us, we are in favour of the family farm system and so are our farmers. For two years, I have been actively looking after farm loans in my riding, and I must say that we succeeded last year, by our efforts, in having 15 per cent of the applications accepted by the Farm Credit Corporation. I want the minister to note these figures and to consider that if only 15 per cent of the applications were accepted by the Farm Credit Corporation in the Lake St. John area, there is certainly something wrong.

I heard the minister say that over 40 per cent of the loans were accepted. This is certainly not the case in the province of Quebec.

In my riding, hardly 15 per cent of applications have been accepted and still, the amounts have not all been paid, because only 10 per cent of loans approximately have actually been made.

After looking into the matter and having talked to farmers in an attempt to find the trouble, I reached the conclusion that credit advisers were to blame. I feel that the trouble lies with credit advisers. The minister said earlier that he was familiar with certain areas of the province of Quebec. I am convinced, however, that he does not know it through and through. The minister is not aware of the partisanship existing in the province of Quebec. This is not to our credit, but I must say this, because I found last year that half the applications for loans were being turned down because of political partisanship.

Mr. Pigeon: That is wrong.

Mr. Gauthier: Fifty per cent of the applications for loans were not accepted because of party politics.

Mr. Pigeon: That is wrong.

Mr. Gauthier: Fifty per cent, and I can prove it. That is why, in my last speech the other day, I asked the minister to launch an inquiry. I know he can conduct a serious inquiry in my constituency, and I assure you, Mr. Chairman, that he would be shocked if he could see how some applications were refused, as I did last spring. He would then have proof. I think of the farmer who owned three lots of good tillable land, more than 200 acres of which was farm land, 32 heads of cattle, some dairy cattle, and was refused an aggregate loan of $13,000. There are several cases like that in my riding. Why? Probably because the farmers in question are not of the right party.

Mr. Pigeon: That is untrue.

An hon. Member: It is so.

Mr. Gauthier: I have proof of it. Unlike the people out west, we live as if we belonged to the same family. Our parishes are controlled by four or five families but if four of them do not belong to the party in power, they will never get a loan. Such a situation is simply amazing but it must be pointed out. I have been fighting against such partisanship ever since I entered this house. Do not seek the cause elsewhere because, as far as agriculture is concerned in our province, the cause is that if you do not belong to the party in power, you have only one choice: to starve to death.

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

Mr. Gauthier: It is even worse, because the province of Quebec—

Mr. Pigeon: Mr. Chairman, I rise on a question of privilege in the interest of all members of the house.

The hon. member for Roberval has just made serious charges against the government and the Farm Credit Corporation. I say, even if I am a member of the opposition, that the statements made by the hon. member are an insult to all hon. members of the house. They are false, because the officials of the Farm Credit Corporation are honest. They are conscientious and they work in the interest of all citizens without any political considerations.

Mr. Gauthier: Mr. Chairman, I did not assert anything, I just assumed. I only wanted to know which one had been most guilty and I found out.

Mr. Pigeon: You are wrong. Withdraw.

Mr. Gauthier: I have nothing to withdraw. If the hat fits you, wear it. I found out certain things in my riding. I looked for two years to find out what was wrong, and, today, I say to the minister that the wrong exists at the level of the farm credit counsellors, because, as counsellors, they must give guidance.

[*Text*]

Mr. Hays: Mr. Chairman, I rise on a point of order. I should like to give the committee some details concerning the hon. member's riding. Out of 1,500 projects he said that barely 100 were accepted. The corporation reports that for the four constituencies in the Lake

St. John district there were a total of 369 persons who contacted the local credit adviser for loans during the fiscal year. The dominion bureau of statistics figures for the census of 1961 indicate that there were 1,244 farmers in the municipality of Lake St. John West who had gross sales of over $1,200. During the fiscal year ended March 31, 1964 the corporation approved 121 loans for an amount of $1,293,900 in this country, or about one loan for every ten farmers with a gross income of over $1,200 or more.

The hon. member related loans in his constituency to the number of loans being made in the province of Saskatchewan. The d.b.s. figures show that in 1961 there were 82,285 farmers in Saskatchewan with gross sales in excess of $1,200. During the last fiscal year, the corporation approved 2,332 loans in Saskatchewan, or about one loan for every 40 farmers. From this it will be seen that the rate of lending by the corporation in the hon. member's constituency is about four times as high as that in the province of Saskatchewan, in spite of the fact that there is a provincial lending agency in Quebec very active in the field of farm mortgage credit. I can assure the hon. gentleman also that opinions of agricultural people, provincial agronomists and farmers in general indicate that the staff of the corporation working in the Lake St. John region are performing their duties in a competent and efficient manner.

[*Translation*]

Mr. Pigeon: Withdraw.

Mr. Gauthier: I am very glad that the minister gives us those figures.

Mr. Pigeon: You should be ashamed.

Mr. Gauthier: I worked all summer and fall.

Mr. Dupuis: Doing nothing.

Mr. Gauthier: Making inquiries. The minister told us that last summer, only 408 applications had been submitted in Quebec compared to over 2,000 in the English speaking provinces and, today, he tells us that there have been 200 or 300 applications. I do not know who is making a mistake, but I spent two days in the office of the loan counsellor in Roberval. There were about 800 applications, but today the minister says 200. The figures supplied by the loan counsellor in Roberval do not agree at all with those given by the minister. Why did you not say so. We filed 300 applications and 200 have been accepted. When I visited the counsellor about loans, I gave him these figures and I told him: What are you doing, you are not working? He answered: Look at that, more than 800 applications.

[*Text*]

Mr. Pigeon: A question of privilege, Mr. Chairman.

The Deputy Chairman: Order. I think the debate has taken a turn away from the question which is before us. I should point out to hon. members that the question before the committee is the bill to amend the Farm Credit Act, not a discussion on the general application of the act. I hope the hon. member for Roberval will make his remarks apply as closely as possible to the first clause of the bill before the committee.

[*Translation*]

Mr. Gauthier: Thank you, Mr. Chairman. The minister has involved me in this. He quoted figures concerning my constituency that I do not accept.

I spoke about loans to farmers and I asked who was preventing these loans from being granted. Advisers, high officials are the ones who approve these loans and I simply appeal to the minister to make it clear to the advisers that they are being appointed exactly to guide, to assist the farmers in requesting and securing the loans they need to get out of the hole and not to recommend to them or to tell them: In your case, it would be better to sell your farm and to settle in town.

Their role is precisely to encourage farmers to stay on the farm. That is why we say that credit advisers must organize their work so as to put an end to farm abandonment. In fact, that makes ten families which have been chased away from their farm when they should have been provided with the necessary means to stay on the farm.

It is rightly said that the purpose of the amendments under consideration is to help our farmers. Well, then, let us help them properly. At present, they are given loans, about the same way a real estate agent would do it, and they are told: "You wish to get out of the hole? Then borrow now and borrow again tomorrow."

Moreover, it is said that agriculture is the basis of the economy. If we really want to help the farmer, since agriculture is the basis of the economy, let us help them by the granting of a monetary contribution.

Mr. Chairman, I have heard the minister state a while ago that he borrows money at 4 or 4½ per cent. I ask him whether he ever

helped farmers, whose production is the basis of our economy, through our monetary system, namely the Bank of Canada? There is the means. Let him stop borrowing money. The situation is such that in order to help the farmer, the government makes him borrow money and it borrows money itself so that it may lend the farmer more money.

Does the minister work for the finance companies or for the farmers?

We want him to work more for the benefit of the farmers and, to do so, he should make better use of the Bank of Canada. If only he would grant loans at the administrative costs he would then really help them. In fact, it is the only way to help them; he would thus grant them loans on the very basis of our economy.

But if he wishes to continue to use our silly financial system, he should at least lend at a rate of interest of 5 per cent, but he should exempt farmers from taxes. The government gives industry such an exemption. He should exempt farmers from taxes during a five or ten year period, to give them an opportunity to recover and then he would really come to the farmers rescue. As for the suggestion of the hon. member for Mackenzie who would like to establish an appeal board, I suggest that in the Lake St. John area, in Chicoutimi and Roberval, which he seems to know fairly well, the minister should appoint the county council, an organization entirely free from political affiliations, because members of the appeal board should not have anything to do with politics. The farmer who will apply for a loan must also obtain justice from this non-partisan group, not to mention that the county council is a regional organization which knows farmers well and will do them justice.

I feel that this suggestion of the hon. member is the best one made tonight. The appointment of such a group would finally help farmers whose applications for loans have been turned down for the reasons I mentioned earlier.

I would say to the minister: "Why not take the trouble to send into our area someone who would examine the situation on the spot. Stop relying on such and such an official. Go and examine the situation yourself and you will put your finger on what is wrong now." I could tell him that today, instead of helping the farmer, we are making things more difficult for him.

Mr. Caouette: On a point of order, Mr. Chairman.

[Mr. Gauthier.]

Mr. Pigeon: I rise on a point of order also, Mr. Chairman.

Mr. Caouette: Mr. Chairman, while the hon. member for Roberval (Mr. Gauthier) was making his speech, I heard unbecoming remarks being made by some government members, namely, the hon. member for Longueuil (Mr. Côté), the hon. member for Hull (Mr. Caron) and the hon. member for Vaudreuil-Soulanges (Mr. Émard), who apparently wanted—

Mr. Côté (Longueuil): Mr. Chairman, I rise on a point of order.

Mr. Caouette: Mr. Chairman, when I am through with my point of order, the hon. member for Longueuil can rise, but until then, let him remain seated—

Mr. Côté (Longueuil): Mr. Chairman, I rise on a question of privilege.

Mr. Caouette: Mr. Chairman, when I am through with my observations, the hon. member for Longueuil can speak.

[*Text*]

Mr. Côté (Longueuil): On a point of privilege—

The Deputy Chairman: The hon. member for Villeneuve is already on a point of privilege and the Chair would like to hear him first.

[*Translation*]

Mr. Caouette: Mr. Chairman, I cannot pass over the behaviour of those three members who tried to ridicule the hon. member for Roberval. Neither can I do anything but protest against the attitude of those three members who never saw a carrot grow in their own county and who know absolutely nothing about agriculture, but who tried to ridicule the hon. member for Roberval. Those people should be a little more responsible than they are now.

Mr. Côte (Longueuil): Mr. Chairman, on a question of privilege. If I did utter some improper words, as the hon. member for Villeneuve (Mr. Caouette) just stated, I would like him to repeat them and I shall be ready to withdraw anything I might have said which the hon. member would deem offensive.

As far as the speech that has been delivered is concerned, I think I have the right to qualify it as I wish.

Mr. Caouette: Mr. Chairman, for five minutes the hon. member has been laughing and trying to ridicule the member

who just resumed his seat. These expressions are not recorded in *Hansard* and for that I am thankful, because the terms used by him and by his colleague, the member for Hull (Mr. Caron) who is sitting in the back, seemed quite improper under the circumstances.

Mr. Caron: What terms have been used?

[*Text*]

Mr. Rock: On a point of privilege—

The Deputy Chairman: Order.

Mr. Rock: The hon. member for—

Some hon. Members: Sit down.

The Deputy Chairman: The hon. member for Hull.

[*Translation*]

Mr. Caron: Mr. Chairman, since I have been involved, I should like the hon. member for Villeneuve (Mr. Caouette) to give a single example of an improper remark I have made. He may be full of improper words but he does not know what "improper words" are.

Mr. Caouette: Mr. Chairman, on that same question of privilege, this is the first time in three years that I have seen the hon. member for Hull rise to speak, and yet he could do no better than make the incoherent remarks we have just heard.

[*Text*]

The Deputy Chairman: Order. The debate has got to the stage where there are charges and countercharges, and I think we have heard sufficient on the point of privilege.

Mr. Rock: I would like to mention the fact that there has been an error made by the hon. member for Villeneuve. He had also named the hon. member for Vaudreuil-Soulanges and he is not even in the chamber.

[*Translation*]

Mr. Caouette: Mr. Chairman, the hon. member is not in the house at this time, but he was here a while ago, I think.

Mr. Rock: No, apologize, he is not here, he is not present.

Mr. Pigeon: Mr. Chairman, only one word to express all my admiration for the authorities of the federal Farm Credit Corporation. They are honest, conscientious officials, and I regret the remarks made by the hon. member for Roberval.

The authorities of the Canadian Farm Credit Corporation swore to dedicate themselves to the interest of all Canadian farmers, regardless of political or other considerations and, as I say, I regret the speech made by the hon. member for Roberval.

I hope the Canadian people will forgive the irresponsible remarks just made by the hon. member for Roberval and I am hopeful that after the next general election that corner of the house will have completely disappeared and it will be a blessing for the Canadian people.

Mr. Caouette: Mr. Chairman, I again rise on a point of order. The hon. member for Joliette-L'Assomption-Montcalm is surely not dealing with the bill before us. He is another one who, apart from the tobacco question, does not know anything about agriculture in the province of Quebec. He is the first one to blame the government when it introduces any legislation, but he did not have the courage to protest against his own government when it was legislating on Canadian agriculture.

[*Text*]

The Deputy Chairman: Order. I must ask the committee to exercise its good judgment.

Mr. Pigeon: On a question of privilege—

The Deputy Chairman: Order, please. I must ask the committee to exercise its good judgment and come back to the bill before the committee.

[*Translation*]

Mr. Pigeon: I rise on a question of privilege. I hope the house will pass this bill, even if I do not agree with some of the opinions expressed concerning some of its details.

I hope the house will pass this bill as soon as possible, because I have full confidence in the officials of the federal Farm Credit Corporation, and as an agronomist and a farmer's son, I question what the hon. member for Villeneuve (Mr. Caouette) said.

[*Text*]

The Deputy Chairman: Order. I cannot accept the remarks the hon. member is making now as a point of privilege.

Mr. Hays: Mr. Chairman, I wonder if we could continue with this point by point discussion of the bill. May I remind hon. members that this is the fifteenth day since February that we have discussed agriculture, including the supplementary estimates, the main estimates, two days on the supply motion, and now four days on this bill. As I pointed out earlier, we still have the amendment to the crop insurance bill, the

machinery bill, farm improvement loans and also another supply motion, at which time I am sure hon. members will be able to discuss agriculture in all its ramifications. I must point out again that the Farm Credit Corporation is running out of money and I am sure the farmers would appreciate it very much if we could get the bill through. Some of them may even need money to finish putting in their crops.

Mr. Churchill: On a point of order, Mr. Chairman, I think a statement like this from the minister, which is inaccurate, should be corrected immediately. When he is recounting the time spent on the subject of agriculture he might restrict himself solely to this bill, and also be accurate in his statements in that regard. I have the record here. We passed the resolution stage of this bill without debate in order to speed up things. We began debate on second reading of the bill on the 2nd of June at eight o'clock and continued for two hours. On the 9th of June we returned to the debate on second reading at 4.30 p.m. and debated the bill for two and a half hours that day. As hon. members will recall it was at my request that the bill was then given second reading. We spent another one and a half hours yesterday on the committee stage and we have been on the committee stage today. Surely this is not too long a time to spend on a bill of this importance. We made a concession with regard to the resolution stage and completed the second reading stage in order to speed things up. The minister's friends on that side have been participating to a very great extent in the debate on this bill, and I wondered yesterday whether they were attempting to delay its passage.

The Chairman: Shall clause 1 carry?

Mr. Horner (Jasper-Edson): Mr. Chairman, before clause 1 carries I should like to address a few remarks to the minister with regard to the additional legal costs that are going to be involved. As he knows, I had some questions on the order paper with regard to solicitors and their fees under the Farm Credit Corporation. I am particularly concerned about the use of solicitors that are available in rural areas.

The minister and I both know that the local patronage is handled by groups in the cities and has nothing at all to do with the people in the rural areas. Surely a qualified lawyer in a particular area, regardless of his politics, should be able to act on behalf of the Farm Credit Corporation. We spent a great deal of time trying to decentralize this thing. The minister also knows that farmers 200 miles from Edmonton do not like having to drive into the city. They are not accustomed to it and feel out of place in the city.

I hope the minister will have another look at the question of the government paying solicitors' fees on behalf of the farmers. The farmers have to pay them in the end, and I know what happens in my area and other areas as well. There are only five accredited lawyers in my whole constituency. It so happens that all of them are Liberals. It so happens that we appointed them farm credit solicitors. When the government changed, the new government changed all the solicitors and cut off these lawyers regardless of whether or not they were doing a good job. It was pure and simple patronage.

The minister has said on many occasions that he does not want any part of political patronage, and I agree with him. As a fellow Albertan he is on the right track. But let him talk to the political organizers, particularly in the cities of Edmonton and Calgary, who control the legal patronage lists. Let us talk in practical terms. Let him not supply answers like he did to me, saying the Barrhead is 25 miles from Edson and the farmers can go over there. I am sure he appreciates where the rivers run in Alberta. I am sure he also appreciates where the roads are. If he is going to continue to make these farmers drive 125 miles to see a lawyer in Edmonton who is no more competent than the lawyers we have in Edson and Barrhead, it is absolute nonsense and a farce.

The minister is increasing the limits under the act and this is fine and dandy. I agree with it; but in increasing the limits he is going to increase the fees paid to the lawyers. He and I also know that these contracts are drawn up by clerks in the offices of the lawyers. They are simply a standard form, nothing specialized, and all the lawyer has to do is check them over and O.K. them. Let us not have this kind of political patronage nonsense. In my own home town we have three qualified lawyers. Are they not qualified to handle the business of the Farm Credit Corporation? What nonsense. Instead of using them the minister makes the farmers drive an extra 50 miles. These three lawyers are all Liberals, so appoint them. They will not hurt you. They will never get elected anyway.

An hon. Member: How did you get in?

Mr. Horner (Jasper-Edson): Come and run against me. The minister has said he is not

going to belong to the gang to which the hon. member for Kootenay East belongs, the old political gang that played this patronage game before. We expect an Albertan to be above that. We expect the minister to live up to what he has said he is going to do. We expect him to have another look at this matter and to appoint lawyers who are competent in the areas that are involved. Let us not have any more silly answers that the farmers can drive 25 miles. They cannot drive 25 miles because there is a river in the way.

Mr. Hays: Mr. Chairman, I would be very pleased to take the hon. member's suggestion into consideration. All we are interested in is cutting down the time. Certainly we are not interested in political patronage, so far as farm credit is concerned. I might remind hon. members across the floor that they were elected on June 10, 1957, took office on June 21 and 35 days later every lawyer formerly employed from coast to coast was without any further work.

Some hon. Members: Shame.

Mr. Pigeon: Prove that.

Mr. Horner (Jasper-Edson): If the minister will allow me to say so, under the old farm loan board only one group of lawyers in Edmonton was allowed to do the work. It was all centralized in the city of Edmonton and, whether you lived in Edson or in Medicine Hat, you had to drive to Edmonton to get a farm loan. One group of lawyers did the work and they were Liberals. We fought to get this decentralized, because one of the things that was wrong with the old farm loan board was that you had to go to Edmonton to get a loan. The minister knows, and so does the chairman of the corporation, that we got it broken down. If you want a nonsensical situation, we have a farm credit officer in this town with three lawyers, but since the Liberals came into office apparently not one of these lawyers is considered capable of handling these mortgages. The minister denies there is patronage, but if this is not patronage I have never seen it.

Mr. Pigeon: A scandal.

Mr. Hays: Mr. Chairman, I can assure the hon. member that there has been no change in the system.

Mr. Horner (Jasper-Edson): No change in the system? Come now. For heaven's sake, can the minister stand there and talk like that?

The Chairman: Order. The hon. member for Prince Edward-Lennox.

Mr. Alkenbrack: Mr. Chairman, I find I must raise a question of privilege with regard to the remarks of the minister concerning the alleged changes made by our administration in 1962 after we were elected in June. I beg to point out to the committee that the lawyer in Napanee handling the Farm Credit Corporation work in our area was appointed by the Liberals prior to 1957, and is still acting.

Mr. Horner (Jasper-Edson): Mr. Chairman, the minister has made the statement that there has been no change. That is absolute nonsense. I can give him the name of the town. There were three lawyers there in 1963 when the minister took office and one of those lawyers was doing the farm credit work. I wrote to the corporation and said I did not care who was appointed. The chap who was appointed was a good Liberal and he was a member of the executive of the Liberal association. He was also a competent lawyer so we made him a solicitor for the Farm Credit Corporation.

Along about April 10, the minister took over and this fellow lost his commission to survey mortgages for the Farm Credit Corporation. Instead of a farmer having to drive 10 or 20 miles to see a lawyer to get this work done he now has to drive 150 miles. For the minister to say there has been no change is absolute nonsense. In the town of Edson there are two lawyers and we had appointed one of them to do the farm credit work. He was also a fair Liberal but he was appointed because we did not think it was right that these farmers should have to drive 150 miles to Edmonton to arrange for a mortgage. At the time the government changed, these people were cut off completely. You say that there has been no change, and that is an absolute prevarication.

Mr. Hays: I think I should correct this statement. My officials tell me, and they run the corporation, that there has been no change in the system. I tell them to run it on merit. There has been a reduction in the number of lawyers and also a reduction in the time that it takes to service a loan. This is the very operation we feel we should do. We are working for the farmer and nobody else.

Mr. Horner (Jasper-Edson): I rise on a question of privilege. The minister is now coming up with a statement that his officials have said there has been no change. This is absolutely incorrect because his answer in

this regard is on *Hansard*. His officials have already told him he is incorrect in making that statement. They changed the solicitor. They wiped out the solicitor in the town of Barrhead. There were three lawyers there. This does not make any sense.

Mr. Hays: Let us correct this again. I said we did not change the system.

Some hon. Members: Oh, oh.

Mr. Hays: That is what I said. There is a reduction in the number of lawyers and a reduction in the amount of time it takes to service a loan.

Mr. Pigeon: I ask the minister if he submitted the list of lawyers to the board, yes or no?

An hon. Member: The list has been in *Hansard* for some time.

Mr. Horner (Jasper-Edson): The Minister of Justice submits the list to the Minister of Agriculture and it is O.K.'d by the legal department of the Liberal party. This is how lawyers get appointments. Let us not fool ourselves. We know how they get appointed.

The Chairman: I wonder if the members of the committee do not feel they have discussed this particular point long enough? I realize it may be of interest and importance, but perhaps we could move along a little bit and go to another point. Then, if hon. members want to come back to this a little later on, we will do that.

Mr. Pigeon: We are against patronage, Mr. Chairman.

Mr. Ricard: I just want to clear up this question of patronage. I should like to ask the minister the reason Mr. Oliva Blanchet of La Présentation, Quebec was replaced by Mr. J. E. Lafleur from St. Denis as a member of the advisory board.

Mr. Pigeon: That is patronage.

Mr. Hays: This question has been answered, and it is in *Hansard*.

[*Translation*]

Mr. Caouette: Mr. Chairman, I rise on a point of order. I do not want to ask a question—

[*Text*]

Mr. Ricard: Where is this answer in *Hansard*—

[Mr. Horner (Jasper-Edson).]

[*Translation*]

Mr. Caouette: Mr. Chairman, on a point of order.

The Chairman: I recognize the hon. member for Villeneuve on a point of order.

Mr. Caouette: Apparently the Conservatives do not want this bill to be discussed any further tonight or to be passed. It is probably to follow up what the hon. member for Joliette-L'Assomption-Montcalm (Mr. Pigeon) told me about ten minutes ago, that the Conservatives want to wait until the hon. member for Qu'Appelle (Mr. Hamilton) is back, before this bill is passed. That is why they discuss—

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

The Chairman: Would the hon. member please resume his seat?

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

The Chairman: One moment. The hon. member for Villeneuve has the floor now on a point of order, and when he has finished, we can hear the hon. member for Joliette-L'Assomption-Montcalm.

Mr. Caouette: Mr. Chairman, you were no doubt in the chair a while ago when the hon. member for Joliette-L'Assomption-Montcalm came to my desk to tell me that the bill could not be passed tonight because the hon. member for Qu'Appelle was still away and that we had to wait for his return before passing the bill.

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

The Chairman: The hon. member for Joliette-L'Assomption-Montcalm has the floor to explain a personal matter.

Mr. Pigeon: Mr. Chairman, I must say that the hon. member for Villeneuve's remarks are not in keeping with the facts. His statement is entirely inaccurate; in fact, the former minister of agriculture, the hon. member for Qu'Appelle, is in the house at present and is carefully listening to the discussion.

The hon. member for Villeneuve, knowing that his whole political venture is crumbling under him and that he himself will be eliminated in the next election, takes the liberty of jeering indiscriminately.

[*Text*]

Mr. Fisher: Speaking to the point of order, I may say that I do not really believe it was a point of order. However, Mr. Chairman, I believe it would be nice if the whole house were to welcome back these people who have returned to enliven and enrich our agricultural debate.

Mr. Pugh: Mr. Chairman, with regard to the appointment of lawyers, and more or less speaking horticulturally, I would say that the minister does not know his aspidistras from his hollyhocks in a greenhouse. I can sincerely say that many of the residents in my constituency formerly served by lawyers now have to travel up to 50 miles to get service. This is in the whole of the Okanagan Boundary. It is ridiculous for the minister to say that there has been no change made. This area was well served by lawyers of all political faiths after 1958, and particularly after the formation of the Farm Credit Corporation. I say "all political faiths" because I know this to be a fact. There has been a change and a concentration, just as the hon. member for Jasper-Edson has said. If the minister has not heard of this, then I suggest he look into it. I suggest that he made changes which were political. I do not know whether or not there is any patronage and I would not like to go so far as to say that. Previously, this organization was serving the people who were supposed to be served, namely the farmers.

The Chairman: It being ten o'clock, shall I rise and report progress?

Mr. Hays: Mr. Chairman, would it not be possible for us to consider sitting a little longer to pass part of this bill?

Some hon. Members: Agreed.

Some hon. Members: No.

The Chairman: There is not a unanimous consent to this suggestion.

Progress reported.

BUSINESS OF THE HOUSE

Mr. Churchill: May I ask the acting house leader if we continue with this bill tomorrow, followed by interim supply?

Mr. MacNaught: Yes, Mr. Speaker.

PROCEEDINGS ON ADJOURNMENT MOTION

(Subject matter of questions debated under adjournment motion).

Proceedings on Adjournment Motion

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

SOCIAL ASSISTANCE—SASKATCHEWAN—PROPOSED REQUIREMENT THAT RECIPIENTS WORK FOR AID GIVEN

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, on Monday, June 8, as recorded at page 4033 of *Hansard*, I put this question to the government:

> Is the federal government aware of the declaration made by a minister of the Saskatchewan government that it intends to require recipients of social aid to work for relief? Have any proposals been made to the federal government regarding this matter, and what is the attitude of the federal government toward such a proposal?

It was felt by Mr. Speaker that the question was not one to be dealt with on orders of the day so I asked that it be transferred to be taken up in one of these overtime periods. I hope we may now get an answer from one of the ministers or from one of the parliamentary secretaries.

It seems to some of us that this announcement from Saskatchewan is a very serious one, and that every effort should be made to prevent such a retrograde step being taken. It is our hope that the federal government will have no part in any such proposal. All of us believe in work rather than relief, but we do not believe in work for relief. This was well put on Monday of last week in an editorial in the Toronto daily *Star*, a sentence or two of which I should like to read. Speaking of this Saskatchewan proposal the *Star* said:

> If it meant that a concerted effort should be made to find normal jobs for the unemployed and thus take them off the relief rolls, every reasonable person would be for it. What the advocates of this policy really want in most cases, however, is to make everyone on relief who can walk put in a few hours every day at some kind of physical labour, however pointless.

Later in the same editorial I note the following sentence or two:

> A program of forced labour for people on relief can only serve as a means of punishment and humiliation for those involved, while disorganizing the province's regular public works system. It also has possibilities of course, for getting certain jobs done on the cheap, and undercutting the wages of civic and provincial workers.

I believe this editorial and others which I have seen in various newspapers make it very clear that any step of this nature would be thoroughly retrograde in character. It reminds us of policies which were practised

by a number of governments in the 'thirties. We have got over those policies; let us not go back to them. A policy of this kind is against everything that people who are practised in the field of social welfare stand for; they have already made it clear that they hope such a policy will not be pursued. I should like to remind the house, also, of the statement made the other day by the Canadian Labour Congress in which, among other things, it was pointed out that this practice would be contrary to the universal declaration of human rights which declares that everyone has a right to work, to just and favourable conditions of work and to protection against unemployment, but also that everyone has a right to free choice of employment.

So, because we feel this is a backward step which should not be entertained, and because it would seem to us that if any change in the Unemployment Assistance Act is to be made, the federal government is involved, we hope the federal government through its spokesman tonight will make it clear that it will have no part in a retrograde policy of this kind.

Mr. J. C. Munro (Parliamentary Secretary to Minister of National Health and Welfare): I am not too sure that this is the proper place in which to conduct a campaign against the government of Saskatchewan which, in effect, is what the hon. member is doing. As far as I am aware, all that has happened is that some statements have been reported in the press, some of which have not been very complete. Certainly, the federal government has received no firm statement or declaration from the government of Saskatchewan even one asking for consideration of a change in the type of the present program. So I think the point made by the hon. member is academic at the moment.

I do not know what the hon. minister—Mr. Boldt, I believe it was—said. Perhaps the hon. member knows no more than we do, except that from various press reports he read or heard over television or radio. I do not know if he has a word for word statement of what the minister said; the government has not, to my knowledge.

Mr. Knowles: The minister said he wrote to the federal government.

Mr. Munro: Well, we have not received anything; we have received no communication setting out any type of proposal which he would even like us to consider. The last discussion there was on these lines was of a most general nature. It took place at the last welfare conference with federal and provincial ministers a week and a half or two weeks ago.

Mr. Knowles: What was the position of the government at that time?

Mr. Munro: It was just a general discussion at that time on the Unemployment Assistance Act and what changes may be necessary, without really any detailed reference to this question of work for relief. Various provinces were asked to submit their views on it. They indicated they had certain views, and in a spirit of federal-provincial co-operation, I suppose, their points of view on this question have to be considered. At the time of the conference no specific proposals were advanced. I think the stand any federal government would have to take, in view of the fact that this is a shared field, would be that their proposals would have to be considered, once we have any proposals. We have not even received a proposal from the province of Saskatchewan; therefore I do not think there is any justification for the hon. member's alarm, certainly at this point.

Mr. Douglas: What position did the federal government take when this matter was discussed at the conference?

Mr. Munro: It really was not discussed. It was indicated by certain provinces, I believe and I could not even tell you which ones now; perhaps it was one at that time, and it was not Saskatchewan—that they had some views on this subject. That aspect of the matter having been opened up, the provinces were asked to submit their proposals and have them ready for the next meeting. Since one province had views on this question it was felt it should be discussed. And that is about where the matter stands.

HOUSING—DATE OF PAYMENT OF WINTER CONSTRUCTION BONUS

Mr. R. W. Prittie (Burnaby-Richmond): Mr. Mr. Speaker, on June 8 I asked this question of the Minister of Labour:

> Mr. Speaker, may I direct a question to the Minister of Labour. Is the minister aware that many persons living in houses completed before March 31 have not received the $500 bonus yet, and can he inform the house when these bonuses will be paid?

Mr. Speaker then said:

> This is a question for the order paper.

This somewhat disappointed me, because I do not ask questions very frequently and I try to observe the rules. I felt it was a question of concern to everybody in all the provinces. However, Mr. Speaker, I repeat the question at this time so that the Minister of Labour can make a statement on just what is the status of the payment of these bonuses. I have received information from the west coast that quite a number of people have been waiting for this bonus, and I should like to hear what the position is at the present time.

Mr. J. A. Byrne (Parliamentary Secretary to Minister of Labour): Mr. Speaker, since the *Hansard* record did not suggest or indicate that the hon. member was going to raise this matter this evening, the notice I received at 5.30 did not leave much time in which to gather statistical information.

Mr. Douglas: The question was asked on June 8.

Mr. Byrne: However, Mr. Speaker, I have been informed that the cheques have been going out within three to five weeks after receipt of the application upon which determination can be made as to whether these people qualify. In the case of any bona fide applications submitted regarding houses completed before March 31, where the cheques have not yet been received, this should certainly be brought to the attention of the Department of Labour. I am sure they would be happy to investigate such cases immediately. March 31 is some time ago, and if there are home owners or contractors who have not received their cheques, I wish the hon. member would bring the specific details to the attention of the Department of Labour.

AIRPORTS—MALTON—LIMOUSINE AND TAXI SERVICE BY UNLICENSED COMPANY

Mr. Ralph Cowan (York-Humber): Mr. Speaker, this afternoon during the question period I asked the Minister of Transport whether he could advise this house why the Department of Transport in 1961 granted an exclusive privilege to Air Terminal Transport Limited to operate a limousine and taxi service at Malton airport when the company does not hold a taxi licence from either metropolitan Toronto or the township of Toronto in Peel county.

This question has been prompted by a situation which has arisen in Toronto where the Toronto taxicab conference is demanding that they be given fair treatment in this Canada of ours, and that a monopoly that was granted by the previous government should be broken. I was amused a moment or two ago to hear the hon. member for Joliette-L'Assomption-Montcalm yell across the aisle his opposition to monopolies, and I heard two speakers on farm credit from Alberta claiming that they were also opposed to monopolies. Yet here we have a monopolistic agreement between the minister of transport for 1960 and 1961 and Air Terminal Transport Limited of 30 Howard Park avenue, Toronto which gives them, if I may quote from the front page of the indenture, which I was not able to secure from the previous government when I sat in opposition but which I got with ease from the present President of the Privy Council, (Mr. McIlraith) in his earlier capacity of minister of transport, in December last year—

> —the exclusive right and privilege (hereinafter referred to as the said right and privilege) to maintain and operate a limousine and taxicab station at the Malton international airport, at Malton in the province of Ontario, for the operation of a limousine and taxi service.

In this agreement between the then minister of transport and Air Terminal Transport Limited, which runs for ten years from 1960 to 1970, the word "taxi" is used ten times. The word "taxi" appears ten times in seven pages. This organization does not hold a taxi licence, either from the township of Toronto, in which Malton airport is situated, or from the municipality of metropolitan Toronto from which 98 per cent of their business originates.

There are 1,100 taxicab operators in the city of Toronto, all of whom are experienced and all of whom are seeking to give the taxicab service which this indenture is supposed to cover. I ask the Minister of Transport whether he will not look into this situation, which appears to be nothing but a dog in the manger attitude based on an exclusive franchise granted by the previous government.

This company do not supply a taxi service, yet they are given a contract which says that they alone shall supply a taxi service. I state that the 1,100 taxicab operators in Toronto who take fares out to Malton airport but are forbidden by the terms of this contract, it would appear, to pick up fares at Malton and bring them back into Toronto should be allowed to give the taxicab service people expect.

Why in the name of heaven should a monopoly be granted to a firm in Toronto to

give taxicab or limousine service from the Malton airport? We do not do that here at the parliament buildings. If an hon. member wants a livery or taxicab at the front door of the buildings, this is government property and one of the officers at the door will call a number and summon one from downtown Ottawa. Or you can give him the number and he will call it. But at Malton airport and I am told the same situation prevails at Dorval and at Uplands, there is an exclusive agreement with one monopoly outfit to provide the service. Under the terms of the contract, whereby they pay 3¾ per cent of their gross revenue to the Department of Transport during the present five year period, I calculate that their gross take is $1,800,000 a year, and they do not have any competition, with the protection of the Department of Transport as per the agreement signed by the former minister of transport in 1961.

This, Mr. Speaker, is a nefarious attitude to take. I have gone to the trouble of looking up the taxicab bylaw of the township of Toronto, in which township the Air Terminal Transport Company have their offices. Under the old taxicab bylaw dated March 8, 1948 it is distinctly pointed out that,

> —no person shall keep any motor vehicles whatever to be used for hire in the conveyance of persons from place to place within the township of Toronto or from any point within the said township to any point beyond the limits of the said township unless duly licensed therefor under the provisions of this bylaw.

The township of Toronto is a semi-rural district between Toronto and Hamilton. On December 31, 1956, a new bylaw was brought into effect covering taxicabs, and one clause which was added is very interesting.

> "cab" means any vehicle used for hire for the conveyance of passengers either wholly within the municipality or to any point not more than three miles beyond its limits and includes a taxicab, ambulance, funeral hearse and sightseeing coach—

And note this:

> —but does not include a limousine unless the limousine is equipped with a taxi meter;

Yet if you walk into the parliamentary library, there you have Webster's International dictionary, which is the first book you see in the library, and you will find it says a taxicab is a chauffeur driven automobile "with or without a taxi meter." The general acceptance is a cab for hire with or without a taxi meter, but in the township of Toronto some fine hand, with a fine pallette, has painted a pretty picture, and has produced this clause which does not include a limousine unless it is equipped with a taxi meter. Therefore this agreement that it shall provide a taxi service does not apply to a company which operates only limousines.

[Mr. Cowan.]

There are 16 hon. members from the Toronto area in this house, and since I was contacted this morning by the Toronto taxicab drivers conference I have spoken to six of them, and all of them advised me they are opposed to a monopoly operation in the city of Toronto at Malton airport.

There has been absolutely no tender on this $1,800,000 a year contract. Mr. Speaker, I have here a letter from the Department of Transport which contains the following paragraph:

> When the agreement with Air Terminal Transport Limited was up for renewal in 1960, a tender call was considered but it was not possible to proceed on this basis because of the position taken by the provincial department of transport in respect to franchises.

I telephoned the Ontario provincial department of transport this morning and asked if there would be any trouble in securing a franchise to operate motor vehicles from Malton airport to Toronto if the federal government should issue a franchise, and I was advised there would be no trouble at all.

Mr. Deputy Speaker: I have to interrupt the hon. member to tell him his time has expired.

Hon. J. W. Pickersgill (Minister of Transport): Mr. Speaker, I have not had very much opportunity since the hon. member asked his question this afternoon to do any lengthy research into the matter. It is quite correct, as the hon. gentleman has said, that this particular company does have a contract which was renegotiated some years ago, I think in 1960. It is also true—at least I assume it is true because I read it in the Ottawa *Journal* this evening, that—

> —eight taxi drivers seeking a test case they hope will permit them to pick up fares at Toronto international airport got what they wanted Wednesday—two summonses and eight $5 parking tickets.

I assume, therefore, this case is going to come into the courts and it would be perhaps unwise for me, under the circumstances, to attempt to say anything at this stage which might in any way prejudge a case that is going to be heard in the courts. But I listened with a great deal of interest to what the hon. member has said, and I will naturally continue my research into the subject and see whether there is in fact a situation which should be remedied and, if so, what the appropriate remedy should be.

Of course hon. members will realize that people travel by air presumably to get to their destinations quickly, and that there would be a great deal of dissatisfaction on the part of the travelling public if they arrived at an airport on a day which was stormy, when perhaps it would be more profitable for taxis to carry passengers in the metropolitan areas instead of going out to the airports to wait for passengers. In this case there might be nobody there to carry them. It is important to have some means of assuring the public that there will be a means of getting to and from airports at all times, but whether the present system is the best one I am not prepared to say.

Motion agreed to and the house adjourned at 10.22 p.m.

HOUSE OF COMMONS

Friday, June 12, 1964

The house met at 11 a.m.

PRIVILEGE

MR. GAUTHIER—REMARKS IN DEBATE BY MINISTER OF AGRICULTURE

[*Translation*]

Mr. C. A. Gauthier (Roberval): I rise on a question of privilege, Mr. Speaker, because I have reason to believe that the Minister of Agriculture misled the house, perhaps unwillingly, in replying to some comments I made last night while speaking on the farm credit bill.

As reported at page 4218 in yesterday's *Hansard*, I had stated:

> For two years I have been actively looking after farm loans in my riding, and I must say that we succeeded last year, by our efforts, in having 15 per cent of the applications—

I repeat, the applications.

> —accepted by the Farm Credit Corporation.

And a little further on I said:

> This is not to our credit, but I must say this, because I found last year that half the applications for loans were being turned down because of political partisanship.

Those are the words I uttered and the reply of the Minister of Agriculture may be found at the bottom of the same page:

> Mr. Chairman, I rise on a point of order, I should like to give the committee some details concerning the hon. member's riding. Out of 1,500 projects he said that barely 100 were accepted. The corporation reports that for the four constituencies in the lake St. John district there were a total of 369 persons who contacted the local credit adviser for loans during the fiscal year. The dominion bureau of statistics figures for the census of 1961...

[*Text*]

Mr. Speaker: Order. Having had the advantage of listening to the hon. member for a few minutes, it appears to me that this is not basically a question of privilege but that it concerns, rather, a misinterpretation of words. The hon. member will have the opportunity this afternoon, I understand, to clear up any misunderstanding, and I suggest that for the moment he desist.

[*Translation*]

Mr. Gauthier: My question of privilege, Mr. Speaker, is intended to correct figures at the same time—

[*Text*]

Mr. Speaker: Order, please. This is basically a matter for the committee. I am sure the hon. member will have the opportunity this afternoon to raise this point and clear up any misunderstanding.

[*Translation*]

Mr. Gauthier: Thank you, Mr. Speaker. I will reserve it for the committee, to give accurate details.

[*Text*]

MR. LACHANCE—ARTICLE IN "TIME" MAGAZINE

[*Translation*]

Mr. Georges Lachance (Lafontaine): Mr. Speaker, I should like to make a brief statement on a question of privilege with regard to a survey of members of parliament which *Time* magazine conducted by telephone on the flag issue. It is reported on page 12 of the June 12, 1964 issue that I refused to make my views known on the matter.

Since many people seem to misinterpret this statement allow me to correct my reply to the person who called on me, that is "I did not wish to discuss the matter over the phone", since I was unable to identify the party calling—

Some hon. Members: Order. You are out of order.

Mr. Lachance: I must add that if this person could have seen the flag referred to in the resolution introduced by the government displayed in my office, there would have been no doubt in his mind as to my intention to pass it.

[*Text*]

PRIVILEGES AND IMMUNITIES (UNITED NATIONS) ACT

AMENDMENTS CHANGING TITLE, EXTENDING APPLICATION, ETC.

Hon. Paul Martin (Secretary of State for External Affairs) moved the first reading of

Bill No. S-24 (from the Senate), to amend the Privileges and Immunities (United Nations) Act.

Motion agreed to and bill read the first time.

CANADIAN FLAG

DISPLAY ON PARLIAMENT HILL—MOTION FOR ADJOURNMENT UNDER STANDING ORDER 26

Mr. A. D. Hales (Wellington South): I ask leave under standing order No. 26 to move the adjournment of the house for the purpose of discussing a matter of urgent national importance, namely the right of the Prime Minister, without any legal authority, to display an unauthorized flag on the property of the crown, stating that this is being done at the request of certain members of parliament.

I submit that this matter is of great importance, and the urgency of debate is substantiated by the fact that the right hon. gentleman intends to take this unprecedented action, within a few hours of which he informed the house yesterday. As a matter of fact the flagpole has already been erected on the grounds in front of this building—

Some hon. Members: Hear, hear.

Mr. Hales: This request, Mr. Speaker, is something entirely apart from an anticipated order of business next week. The purpose is not to debate the flag issue but the principle involved in this action, namely the right of the Prime Minister of Canada to circumvent and ignore order in council No. 5888 assented to on September 5, 1945.

Mr. Speaker: Perhaps I might have the privilege of hearing from a few members as to this proposed motion before rendering a decision.

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, the question is one of alleged urgency in view of the fact that the design of a flag which is referred to in an order before the house is about to be flown in a few hours, and we are informed by the hon. member who has moved the motion that this circumvents the order in council of 1945 establishing for certain purposes the flag known as the red ensign as the Canadian flag.

I should think, Mr. Speaker, that the same argument could be applied to the introduction of a resolution in the House of Commons, because that resolution does describe verbally a flag that it is proposed should be the

Canadian national flag. At the time that resolution was introduced a pictorial representation in colour of the flag was circulated to all members of the House of Commons without objection and, indeed, with approval, because it was felt they could then better make up their own minds in respect of the decision which parliament was going to be asked to make.

Last week certain members asked that this flag should be flown because the best way to come to an opinion as to the merits of a flag is to see it flying and not merely see it in a colour reproduction. The government, not the Prime Minister, has decided that it would be a courteous and useful thing to do to let hon. members see the flag design which is described in the resolution, and which is the only design which will be before the House of Commons unless and until there is an amendment moved altering the design or substituting a design.

An hon. Member: Backtracking again.

Mr. Pearson: If and when an amendment is moved, and it will not be moved on this side—

Some hon. Members: Hear, hear.

Mr. Pearson: —if and when an amendment is moved on the other side, Mr. Speaker—

Mr. Knowles: Mr. Speaker, I rise on a point of order. It so happens that I agree with the position the Prime Minister is taking on this matter, but is he not debating the motion rather than the question as to whether or not it should be debated? Should he not stick to the question whether there is urgency of debate?

Mr. Pearson: The question as it was put to the house is one of urgency because of the announcement of the decision of the government to fly the flag, which would be considered by the hon. member who moved the motion as an improper act. In arguing the matter of impropriety I am relating that, of course, to urgency. I was just about to point out, and this is all I have to say, that if there was an amendment moved by the other side altering the design, that amendment would have the same official status as the design now in the resolution and would become part of the proceedings of the house. In those circumstances I suggest that such a design, if and when moved and if and when it became part of the proceedings of the house, should be given exactly the the same right of display as the design now set out in the motion.

Hon. Gordon Churchill (Winnipeg South Centre): Mr. Speaker, the Prime Minister diverted from the motion before the house and indicated to us that once again he is going to shift his position. He is asking for an amendment from his supporters on this side of the house, and suggesting that that amendment will be adopted. The degree of uncertainty as to the design that is favoured by the Prime Minister continues.

What is before the house now is a proposal by my hon. friend that we should debate today whether the Prime Minister should take the action that he said yesterday he would take. I quote from *Hansard*, page 4183:

> Mr. Pearson: Following a request made by certain hon. members, it is intended to fly the flag referred to in the resolution tomorrow evening—

Which is Friday.

> —I think from 5 p.m. until flag lowering time.

Now, Mr. Speaker, the Prime Minister has just recently said that the government has decided—not himself but the government, and we conclude from this that the cabinet has met and that they have perhaps passed an order in council to authorize this otherwise unauthorized showing of a piece of Liberal propaganda, which is all it is—

Some hon. Members: Shame.

Mr. Churchill: This is an attempt to influence the public of Canada by flying on government property, here on the grounds of parliament, a flag which is the personal choice of the Prime Minister and not the choice of the people of Canada.

It is a rare thing, Mr. Speaker, for a motion to adjourn the house to discuss a matter of urgent public importance to be allowed, because so frequently it is possible to suggest there will be other opportunities to debate the matter, that the matter has not been raised early enough, and arguments of that nature. Beauchesne, in his fourth edition at page 90, citation 100, paragraph 3 says:

> "Urgency" within this rule does not apply to the matter itself, but it means "urgency of debate", when the ordinary opportunities provided by the rules of the house do not permit the subject to be brought on early enough and public interest demands that discussion take place immediately.

This motion comes within that citation because the opportunity for debating the proposed action will lapse just within a few hours. The Prime Minister told us yesterday that his personal choice will be flown from the flagpole at five o'clock today. It is now about 11.30, and if the house is to pass judgment on this unusual action it must immediately have a chance to debate the purpose of the Prime Minister's action.

Beauchesne refers to the fact that public interest must demand that discussion take place immediately. If this opportunity were postponed it would be too late. Consequently we are suggesting that under the rule of urgency of debate, this motion is in order. I think, sir, that on a reference to Erskine May's sixteenth edition you will find also that this particular motion meets any of the objections which are sometimes raised when such motions are brought before the house. May points out that the matter must be definite and must deal with a single, specific matter. This motion deals with a single, specific matter, the determination of the government to fly an unauthorized flag—

Some hon. Members: Question.

Mr. Churchill: —on the grounds of the parliament buildings.

May deals with the various objections which may be raised, and deals particularly with the question of whether another opportunity would be available for debate. I suggest to you, sir, that there is no other opportunity today for debating this particular matter. The business which was announced last night is the discussion in committee of the whole house of the bill dealing with amendments to the Farm Credit Act, and in view of the very lively interest that was taken in that bill last night there is no reason for anyone here to conclude prematurely that that bill will be passed within just a few minutes or within an hour. So if it happens that that bill is under discussion for the balance of the day, as might well happen because of its importance, there will be no other opportunity presented to the house to debate this particular matter.

It is on those grounds, and others which might be raised, that I suggest you allow this particular motion so the house may have an opportunity to express an opinion on this unprecedented action of the government in its attempt to display and gain public approval for a flag design which has not received the approval of this House of Commons or of the Senate, and certainly has not the approval of the people of Canada.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, I think in considering this matter Your Honour should pay attention to something that the hon. member for Winnipeg South Centre said, I believe twice, during the course of his remarks, namely that

this debate is necessary in his view in order that the house may render a judgment or make a decision as to whether the proposed flag should be allowed to fly on a special staff on parliament hill this afternoon.

Mr. Churchill: On a point of order, I did not use the words judgment or decision. I said pass an opinion, express an opinion, which is different.

Mr. Pickersgill: It is the same thing.

Mr. Churchill: It isn't the same thing.

Mr. Knowles: I quite accept the hon. member's correction. Whatever *Hansard* says is quite satisfactory to me, but the point is that the hon. member is urging we should have the debate so that an opinion can be expressed, and I expect that means he wants some kind of a decision to be taken about this matter.

I want to point out that the debate that is proposed in the motion by the hon. member for Wellington South will not settle anything. We will debate the question presumably all day. That will put the farm credit matter off until Monday and interim supply off to Tuesday or Wednesday, and we will not get to the flag issue until some day later next week, or heaven knows when.

An hon. Member: That is what they want.

Mr. Knowles: I put this forward to underline my point that I do not think there is any value to this kind of debate. If my hon. friends in the Conservative party felt the government was doing something wrong, they should have brought up a question of privilege on which a motion should have been founded, so that a vote of the house could be taken to determine whether the action of the government was invalid. Merely debating it all day will not prevent the government from flying the flag at five o'clock. All we will do is spend a day in advance on another measure which we will be debating fairly soon. I think parliament has more important business to do than that—

Some hon. Members: Hear, hear.

Mr. Knowles: —and that this motion does not qualify under the requirement that there be urgency of debate.

[*Translation*]

Mr. Marcel Lessard (Lake St. John): I shall be brief, Mr. Speaker. However, in view of the motion introduced by the hon. member for Wellington South (Mr. Hales) and the remarks made afterwards by the hon. member for Winnipeg North Centre (Mr. Knowles), I feel I must say a few words on behalf of our group. We see no urgency in discussing the motion today because ever since the resolution was introduced at least half an hour has been spent each day on the question of the flag.

I feel the issue was sufficiently discussed last week and we will have full opportunity to debate it next week. The point discussed today, that is the question of whether or not the flag should be raised tonight so that the people of Ottawa and the members of the house might have the chance to see it and form an opinion, does not justify the adjournment of the business of the house.

On the other hand, I should like to point out to the Prime Minister (Mr. Pearson) that it is unfortunate that he has chosen that hour to display the flag, because several hon. members of the house will be away then to catch a train or a plane.

Consequently, I would ask the Prime Minister to forestall the moment and display the flag on parliament hill at one o'clock, so that we may all see it together, this afternoon, and also that the flag may convince certain other hon. members that it is definitely acceptable to all Canadians.

It is unfortunate that there is some fear that this alleged Liberal propaganda is liable to contaminate people.

Personally, if the Liberal party, since it has been in power, had never used any other kind of publicity I would have become a Liberal long ago.

Mr. Raymond Langlois (Mégantic): Mr. Speaker, as far as the motion of the hon. member for Wellington South (Mr. Hales) is concerned, I go along with the hon. member for Winnipeg North Centre (Mr. Knowles), in that this motion is likely to take up the whole day without settling anything.

The right hon. Prime Minister (Mr. Pearson) was kind and courageous enough, to a certain extent, in selecting a special pole to fly a very special flag; indeed, and this in the general interest; and I think that if the former government had showed as much intestinal fortitude and determination, we would have had a flag a long time ago. Now, today—

An hon. Member: We have one, what is the matter?

[*Text*]

Some hon. Members: We have one.

Mr. Winkler: We have one, if you would only recognize it.

Mr. Langlois: Mr. Speaker, I think this is going to be another waste of time if we continue this discussion, which is not on the point of whether we are going to raise or lower this flag. By the time we have finished discussing it, as the hon. member for Winnipeg North Centre has stated, it will probably be six o'clock and the flag will have been raised since five o'clock. I go along with the hon. member for Lake St. John in that we should possibly have it up at one o'clock so we can all see it before some of us leave.

Some hon. Members: Hear, hear.

Mr. Langlois: Those who look at the flag and are not convinced, who intend to hang on to their own ideas and not change their minds about it, should not even be in this house.

Mr. Churchill: Withdraw.

Mr. Langlois: I agree with the hon. member for Winnipeg North Centre and the Prime Minister that we should have the flag up this afternoon as a trial. We will have ample opportunity on Monday to discuss this matter, and possibly the whole of next week. So I say to the Tory party, quit looking back to where you have come from and start looking at where you are going.

Mr. G. L. Chatterton (Esquimalt-Saanich): Mr. Speaker, I wish to make a point which indicates the urgency of debate on the motion put forward by the hon. member for Wellington South. On three occasions yesterday the Prime Minister said the reason the flag is being flown today is that this has been requested by certain members. I refer to his statements as reported at pages 4183 and 4184 of *Hansard*. I have here a request addressed to the right hon. Prime Minister and dated June 11:

> We, the undersigned members of parliament, hereby formally request that the three maple leaf flag named in the resolution be not allowed to fly on parliament hill by action of the government, or any member thereof, until this flag resolution has been approved by parliament.

This request is signed by 39 members of parliament. In view of the statements made by the Prime Minister yesterday as to the reason for flying the flag, I consider that the urgency of debate is indicated by this request.

Mr. R. A. Webb (Hastings-Frontenac): Mr. Speaker, I would only like to suggest to you, sir, that three examples of Canada's national flag are proudly flying outside the building at this present moment, and I do not think we should waste a lot of time debating this issue.

Mr. Eric A. Winkler (Grey-Bruce): Mr. Speaker, I rise to make a few very brief points, one being in reply to the hon. member for Winnipeg North Centre with regard to the debate and its purpose. The purpose of this particular debate and the order under which we are discussing this question is not to make a determination on the flag but to allow the opportunity of free discussion, which is the right of members and should be the case in this particular parliament, in order that we can perhaps bring the government around to making some change in their attitude or, should I say, in their common sense—

Some hon. Members: Hear, hear.

Mr. Winkler: Let me remind you, sir, that the right hon. Prime Minister himself, when he rose this morning, said it is an urgent matter, if I understood his words correctly; and I think we might well agree that we should proceed with this debate. Although I would very much like to elaborate beyond these few words, I think this is sufficient to give Your Honour my views.

Mr. Terry Nugent (Edmonton-Strathcona): Mr. Speaker, I wanted to say just a few words on the question of urgency of debate. My remarks really are germane because of what the Prime Minister said with regard to the flying of this flag. He himself remarked that there is a possibility that someone may wish to move an amendment. Certainly we can see that many members may have different ideas of flag designs. It is going to be up to parliament to accept some design, and this is a matter of persuasion. I do suggest to the Prime Minister and to the government that while they have a right to put forward their own design, it is taking an unfair advantage of other designs or members' ideas for the government to use the premises of parliament in this manner to help brainwash not only the members of this house but the public on their particular choice. We have seen various flag designs circulated in the house, and one day we saw members at the far end of the chamber with a design of their own; they had flags on their own desks. Therefore it is obvious that other designs may be desired by other members.

There is certainly nothing in the Prime Minister's argument that because their particular design is described on the order paper,

that gives it any legality or any position other than being just one design which may be considered by this house. Just because it is on the order paper does not give it any priority or legality. I say it is unfair to every member in this house who may have a different design in mind. I suggest that once the flag is flown the damage is done, and so this matter must be discussed early today.

Mr. Harold E. Winch (Vancouver East): Mr. Speaker, I may have a completely wrong perspective on this matter and on the issue before us, but may I say, as I did yesterday, that I think we are becoming a little bit childish on this issue. Therefore through you, sir, I would like to ask the Minister of Public Works whether any tenders have been called for a diaper service.

Mr. Hales: Mr. Speaker, if I may be allowed to speak again before you make your ruling, I would say that you should not have any problem in deciding whether this question is of national importance or whether it is urgent. Continuing from there, Mr. Speaker, I should like to refer to the remarks of my hon. friend who referred to this house as being childish, and some other remarks that were made concerning this issue. The issue here is not the flag but, as I said in the motion, the legality of displaying this flag on government property. The point is not to debate the flag issue but the principle involved, which is the right of the Prime Minister of Canada to circumvent and ignore order in council No. 5888 assented to on September 5, 1945. This is the principle at stake.

I do not wish to get into the debate at all, Mr. Speaker, but I would refer to what the hon. member for Winnipeg North Centre said. He said we would not settle anything. I think it is the duty of parliament to settle whether a prime minister or a cabinet minister or anyone else in the house has the right to circumvent a statute or order in council. The argument is not what flag is flown; there is a principle at stake here. What right has the Prime Minister to circumvent a statute or an order in council? I think all these other remarks which have been made miss the point, and I still come back to my argument that this parliament should have the right to say whether anyone has the right to circumvent or ignore one of the statutes of Canada.

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

Mr. Hales: Yes.

[Mr. Nugent.]

Mr. Knowles: If the hon. member wishes parliament to express its opinion or to have its say on the issue, why did he not move a motion so parliament could do just that?

Mr. Hales: I would answer my hon. friend in this way. If the government were thinking of courtesy, as the Prime Minister said—he said they did it through courtesy—it would have been courtesy to give the members of this house an opportunity to express their views on whether or not that flag should be flown.

Mr. Speaker: It seems to me that there is little doubt about the urgency of this matter because there is a deadline this afternoon, and we must decide whether the proposed flag will or will not be flown. So under the heading of urgency, the matter does seem to be urgent. It also seems to me that the matter is national in scope, particularly in view of the great interest shown by all Canadians on the subject. However, it is my duty to point out to hon. members that under standing order 26 the words are:

> Leave to make a motion for the adjournment of the house when made for the purpose of discussing a definite matter of urgent public importance—

The standing order provides that a motion be made for the adjournment of the house, which means that discussion could range all day if necessary, and at the end of the sitting time no conclusion would have been reached and no decision would have been made. But we would have had an all day discussion on the subject matter.

Mr. Howard: That would have been just a normal day, Mr. Speaker.

Mr. Speaker: That may be true, but at least the Chair is not responsible for that.

It seems to me that this morning we have had a rather full discussion. Many views have been advanced, and it seems to me that many of the views are in the nature of a complaint, an objection. Instead of losing the whole day discussing this matter, which is of great emotional import, I would have hoped that the discussion this morning would have given a certain amount of satisfaction to hon. members, and I doubt whether much more can be said on the question after the brief debate which has just taken place. I ask myself whether there is now any real urgency for debate, after having had a small, miniature debate already this morning. Therefore in the circumstances I do not see that urgency, that necessity to set aside the important business already on the order paper in order

to continue the small pocket debate we have already had this morning.

Mr. Thomas M. Bell (Saint John-Albert): Mr. Speaker, I accept your ruling, but with great respect may I ask you, so that we can be sure there is a precedent for the future on this very important motion, whether you are ruling this motion out because no decision can finally be taken and because a day would be lost? Do I understand that aright? If so, would you please explain to me how this motion is different from any other motion in those two respects?

Mr. Churchill: Mr. Speaker, may I, with respect, draw your attention to page 90 of Beauchesne.

Some hon. Members: Order.

Mr. Speaker: It does seem to me that having endeavoured to render a fair, impartial and just decision the members of the house should accept that decision. Surely at this stage I do not have to continue giving further reasons ad nauseam in justification.

Mr. Churchill: Mr. Speaker, I am rising on a point of order. My point of order is with regard to the Speaker's jurisdiction in this matter, and I very respectfully put it before you.

Mr. Winch: Mr. Speaker, I rise on a point of privilege. I do not want to interrupt the hon. member, but is this house to be turned into a spectacular sideshow? I would ask you as Speaker to look at this matter and to say whether it is permissible to turn this House of Commons into a sideshow on a most important issue.

Some hon. Members: Oh, oh.

Mr. Speaker: I would ask the hon. member to take down the piece of cloth on his desk. It is against the rules of the house to display apples or anything of that sort.

[*Translation*]

Mr. Marcel Prud'homme (St. Denis): Mr. Speaker, I should like to draw your attention to the fact that I am cordially inviting the hon. member who just had the floor to come with us this afternoon when the flag will be flown. He may then be convinced.

As for the flag design I had on my desk, I displayed it in order to permit the hon. member for Winnipeg South Centre to see what it looked like, and I think he can see it pretty well from where he sits.

[*Text*]

Mr. Churchill: Mr. Speaker, I am quite seriously drawing your attention to page 90 of Beauchesne, citation 100 (6), which reads as follows:

> The Speaker's duty with regard to a motion to adjourn the house for the purpose of discussing a definite matter of urgent public importance, under standing order 26—

That is our present standing order.

> —is confined to determining as to whether, in the first instance, a motion so proposed is in order. There his responsibility ends.

Mr. Byrne: Mr. Speaker, on a point of order, I suggest the hon. member has no point of order because there is no matter before the house. If the hon. member does not wish to respect it I would ask him to appeal your ruling.

Mr. Churchill: Mr. Speaker, I will not take instructions from the hon. member. I would ask, on what ground has he the right to interrupt me? Was the floor given to him?

Mr. Bell: No, he just bobbed up.

An hon. Member: Strike the remarks from the record.

Mr. Speaker: If it is any satisfaction to the hon. member let me say I did not hear the remarks of the hon. member to my right. However, I should like to say that I have given a ruling to the best of my ability and conscience, and it is now up to the house either to accept it or to reject it.

Mr. Churchill: Mr. Speaker, if your ruling is subject to appeal I would appeal your ruling.

Mr. Speaker: Perhaps the hon. member would allow me to refresh his mind. On April 23, 1964, as reported at page 2485 of *Hansard*, I gave a ruling in more or less similar circumstances. I said then:

> In answer to the hon. member I must recall the following to his attention, and I shall read it very slowly so that all hon. members, I hope, will agree.
>
> Hon. members will recall that on April 7, 1964, at page 1845 of *Hansard*, the house sustained a ruling of the Chair to the effect that there was no appeal from a decision made by the Speaker under standing order 26.
>
> The house having already taken a decision on this matter, it is my view that it cannot be questioned again during the current session and must stand as the judgment of the house. In this regard I wish to refer hon. members to May's sixteenth edition at page 400, Bourinot's fourth edition at page 328 and Beauchesne's fourth edition citation 200 (1). For the above reason I cannot permit this appeal.

Then there were certain interruptions, and I said:

> I would like to call to the hon. member's attention Beauchesne's fourth edition, citation 200, paragraph (1).
>
> An old rule of parliament reads: "That a question being once made and carried in the affirmative or negative, cannot be questioned again but must stand as the judgment of the house".
>
> It seems to me that the Chair has given a full and detailed explanation, and I must ask the hon. member to accept the decision of the Chair.

Then later on:

> The hon. member is not appealing my decision, as stated in that way; he is appealing the decision rendered by all members in this house on a matter which has been put to the vote and decided by the members in the house. That decision I am applying this afternoon, and that decision I am not going to change.

Hon. J. A. MacLean (Queens): I wish to rise on a question of privilege, merely to say that the understanding of this party was that your ruling was not appealable, and that is why we did not immediately appeal your ruling. It was because we understood—and I think Your Honour's statement just now confirms our opinion—that your ruling was not appealable. When one of the hon. members on the other side rose a few moments ago, I understood him to say that if we did not agree with Your Honour's ruling we should appeal it—

An hon. Member: He is no expert.

Mr. MacLean (Queens): Maybe that is right.

Mr. Herridge: Are you referring to the hon. member for Kootenay East?

Mr. MacLean (Queens): I wish to make it perfectly clear that the reason we do not appeal the ruling is not that we necessarily approve it, but simply because we have no recourse of appeal from it.

Mr. Byrne: On that question, Mr. Speaker—

Mr. Speaker: Order, please. I suggest we have spent considerable time on this matter and that we should get on with the business before the house.

FLOODS

BRITISH COLUMBIA—REQUEST FOR STATEMENT ON SITUATION

On the orders of the day:

Mr. Frank Howard (Skeena): I wonder if I may direct an extremely important question to the Minister of Northern Affairs and National Resources, one which I am glad has not been pushed to one side by the silliness of the motion we have just dealt with. Could I ask the minister whether he has any up to date information about what I understand to be an extremely disastrous flood situation in British Columbia.

Hon. Arthur Laing (Minister of Northern Affairs and National Resources): I indicated some days ago that there were worrisome days ahead for British Columbia due to the extremely late run-off and the considerable increase in temperature. I will admit at once that the next several days are going to be extremely difficult for the people in the valleys.

The Mission gauge stood yesterday morning at 22.07 feet. This is a height which gives ground for anxiety. At Hope the flow is 420,000 feet per second; at Prince George the gauge stands at 32.07 feet and the water level will rise over the next several days, as is anticipated also at Hope and Mission. Nevertheless there has been no serious breaching of any dikes, although there has been loss and damage, both in the private and the public sectors, as a result of seepage through the dikes and underneath the dikes. I will say at once that this loss is, in total, not inconsiderable. On the Skeena the gauge stood this morning at 38.6 feet. The second crest is about to occur and it is likely to be of the nature of the first. Considerable flooding has taken place in that area. The Peace river, too, is experiencing a flow unprecedented in history. It is now running at 275,000 feet per second and this is causing a great deal of concern, especially with regard to the construction work which is being carried on, because I believe the diversion tunnels are designed to deal with a capacity involving 300,000 feet per second.

I can only say we are hopeful that no critical dikes will be breached, and if we can get over the next week we shall be safe for at least another 12 months.

Mr. Howard: A supplementary question. Could I ask the minister whether he or the government has received any request or communication from the government of British Columbia in relation to federal assistance in overcoming these difficulties; and if not, has the government of Canada made an offer to work with the provincial government so as to minimize the damage caused?

Mr. Laing: The answer in both cases is, at this time, no.

FINANCE

REQUEST FOR REPRINTING OF PAMPHLET "BEHIND THE GORDON REPORT"

On the orders of the day:

Mr. H. W. Herridge (Kootenay West): I wish to address what I consider to be a somewhat helpful question to the Minister of Finance. In view of the fact that a pamplet written by one Thomas Kent entitled "Behind the Gordon Report" is becoming rare and is in great demand, would the minister arrange for the republication of this pamphlet at public expense for the illumination of members?

Hon. Walter L. Gordon (Minister of Finance): I doubt whether that would be a proper expense to charge to the treasury.

CANADIAN FLAG

PROPAGANDA USE OF DISPLAY ON PARLIAMENT HILL

On the orders of the day:

Hon. J. A. MacLean (Queens): I should like to pose a question to the Secretary of State and ask him whether, in the light of the fact that the Prime Minister said the purpose of flying the maple leaf flag design this afternoon on a flagpole on parliament hill was to enable members of parliament to see it and use it as a basis of judgment when making up their own minds, he can assure the house that the occasion will not be used by the C.B.C. or any other television network or station as the basis of subtle propaganda to leave the impression that parliament has already acquiesced in or approved of this design.

Hon. Maurice Lamontagne (Secretary of State): I am certainly not in a position to impose censorship on our media of communication.

Some hon. Members: Oh, oh.

[*Later:*]

Mr. M. J. Moreau (York-Scarborough): Mr. Speaker, I have a question for the Prime Minister. Would the Prime Minister consider having a second flagpole set up for the use of the official opposition so the house may be aware of what design they favour?

Mr. Winkler: A good idea.

Mr. Raymond Langlois (Mégantic): A supplementary question to the Prime Minister. Would the Prime Minister consider the request of the hon. member for Lake St. John a few minutes ago with regard to having the flag flown at one o'clock?

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, in view of the fact that many members apparently are leaving before five o'clock—

Mr. Bell: How about the C.B.C.?

Mr. Pearson: —the government would be very glad indeed to change the hour of the flying to one to two and five o'clock to flag lowering time.

Hon. Gordon Churchill (Winnipeg South Centre): Mr. Speaker, in view of the statement made by the Prime Minister earlier today that the government has decided to take this otherwise unauthorized action, will he table immediately the order in council reflecting the government's decision in this matter?

Mr. Pearson: Mr. Speaker, no order in council is required in a matter of this kind.

Mr. Eric A. Winkler (Grey-Bruce): Mr. Speaker, in view of the request of certain members of the house I wonder whether the Prime Minister would voice his opinion in regard to the petition before him at this moment.

Mr. Pearson: Mr. Speaker, I have just received this petition from certain members on the other side requesting that the flag be not allowed to fly on parliament hill until the resolution has been approved by parliament. The first reference to the flying of this flag for the purpose I have indicated was made by me in the house on Thursday, June 4. I have just received this petition signed by certain members of the house, but I think this does not justify changing the course that has already been announced.

[*Later:*]

[*Translation*]

Mr. Auguste Choquette (Lotbinière): Mr. Speaker, may I direct a question to the right hon. Prime Minister in respect of the petition he received to the effect that he should not fly his proposed flag? Will the right hon. Prime Minister be kind enough to table the said petition in the house?

[*Text*]

ELIMINATION OF REFERENCE IN RESOLUTION TO UNION JACK

On the orders of the day:

[*Translation*]

Mr. L. J. Pigeon (Joliette-L'Assomption-Montcalm): Mr. Speaker, I would like to

direct a question to the Minister of Justice who is also the Liberal leader for the province of Quebec.

In view of the fact that the large majority of the people, especially in the province of Quebec, want to have only one distinctive flag, can the minister exert pressure upon the government so that the resolution may be amended by removing the union jack provision from the resolution, so that we may have only one flag and not two?

[*Text*]

Mr. Speaker: Order. To my knowledge this question has been asked once or twice before.

[*Translation*]

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

[*Text*]

Mr. Speaker: In any event the question is out of order in that it anticipates an order of the house.

[*Translation*]

Mr. Pigeon: Mr. Speaker, may I discuss this question at ten o'clock, next Monday.

[*Text*]

Mr. Speaker: The question is out of order.

[*Translation*]

Mr. L. J. Pigeon (Joliette-L'Assomption-Montcalm): Mr. Speaker, may I direct a question to the Prime Minister?

So as to comply with the request of the majority of the Canadian people, would the Prime Minister reconsider his decision and delete the last part of the resolution concerning the union jack, so as to give Canada one single flag?

[*Text*]

Mr. Speaker: This question is out of order.

ADMINISTRATION OF JUSTICE

TORONTO—REPORTED CONVICTION OF JUVENILE FOR ILLEGAL ENTRY

On the orders of the day:

Mr. David Orlikow (Winnipeg North): I wish to address a question to the Minister of Citizenship and Immigration. Is the minister aware of the fact that George Sarris, who was tried on April 10 in Toronto for entering Canada contrary to section 50(b) of the Immigration Act, was only 14 years of age when he committed this offence and entered Canada on November 6, 1963; that he was 15 years of age when he was apprehended on March 26, 1964, and had just turned 16 when he was tried—

Mr. Speaker: What is the point of the question? We are having a long, detailed statement.

Mr. Orlikow: It seems to me that there was an infringement of the basic rights of a person in Canada who was under 16 years of age when he was arrested. I want to know whether the department knew of this action and whether the magistrate in this case was informed of the facts.

Hon. René Tremblay (Minister of Citizenship and Immigration): The hon. member gave me notice of this question, and I thank him for doing so. I am now in a position to answer part of the question. The hon. member may be mistaken in respect to this young man's age. In fact, under oath he declared on March 31, 1964, at the inquiry held under the provisions of the Immigration Act, that he was born on March 29, 1947. Therefore according to his own words, when he was arrested for criminal entry into Canada he was 17 years old less a few days. When the special inquiry was held he was aged 17 years old plus one or two days, and when he was charged before the criminal tribunal of provincial jurisdiction he was 17 plus 12 days. In Ontario a person under 16 years of age is a minor, and a person aged 16 and older is an adult.

May I add that this young man is at the present time represented by a Toronto attorney, Mr. Bruce Thomas, and my information is that Mr. Sarris will within a few days be filing a notice of appeal from the conviction and sentence. I am following the developments in this case very closely and will gladly inform the house of the results.

INQUIRY AS TO PROGRESS OF PENAL REFORM PROGRAM

On the orders of the day:

Mr. Thomas M. Bell (Saint John-Albert): Mr. Speaker, I have a question for the Minister of Justice. With reference to the statements that have been made by the minister concerning a new penal program before the end of the year, may I ask him what will happen to the existing and most commendable program inaugurated in 1958, with regard to which there does not seem to have been very much action recently?

Hon. Guy Favreau (Minister of Justice): Mr. Speaker, in announcing, which was normal, that in conjunction with the officials of my department I was considering a further stage in the evolution of our penal reform system, I am pleased to say for the benefit of my hon. friend that twice recently I have noted the commendable steps taken by one of my predecessors, Hon. Davie Fulton, in introducing certain very good penal reform measures, but this surely should not prevent this government from taking further steps ahead.

IMMIGRATION

BAIE DES SABLES, QUE.—OPENING OF OFFICE

On the orders of the day:

[*Translation*]

Hon. Théogène Ricard (St. Hyacinthe-Bagot): Mr. Speaker, I should like to direct a question to the Minister of Citizenship and Immigration.

Would he tell the house whether it is true that his department has established an office at Baie des Sables?

Hon. René Tremblay (Minister of Citizenship and Immigration): No, Mr. Speaker.

[*Later:*]

Mr. Ricard: Mr. Speaker, I should like to put a supplementary question to the Minister of Citizenship and Immigration.

If there is no immigration office at Baie des Sables, why is there a resident employee there?

Mr. Tremblay: There is no employee at Baie des Sables; when Mr. Côté was appointed he was living at Baie des Sables, but his residence now is in the Ottawa area.

[*Text*]

BUSINESS OF THE HOUSE

REQUEST FOR EARLY DEBATE ON BILL C-48

On the orders of the day:

Mr. Reid Scott (Danforth): Mr. Speaker, I have a question for the Prime Minister not related to the growing national support for a single maple leaf. In view of the action of the Toronto city council in supplying birth control pills to certain persons in Toronto and in view of the fact that such action by the council makes its members liable to prosecution and to be jailed for up to two years, would the Prime Minister remove the widespread fears or hopes of the Toronto population of such a result by arranging for an early debate on Bill No. C-48 introduced by the hon. member for Burnaby-Richmond which would legalize such activity?

Right Hon. L. B. Pearson (Prime Minister): I will be glad to examine this matter, Mr. Speaker, though some aspects of it are certainly outside my jurisdiction.

LABOUR RELATIONS

QUEBEC—REPORTED DANGER OF LONGSHOREMEN'S STRIKE

On the orders of the day:

[*Translation*]

Mr. Gilbert Rondeau (Shefford): Mr. Speaker, my question is directed to the Minister of Labour.

Can he tell us what reply he gave or intends to give to the longshoremen's union in Montreal, Quebec city and Three Rivers about the threat o fa strike which now hangs over the national harbours and what solution he has to offer to this union which has asked for his intervention in this problem?

[*Text*]

Hon. A. J. MacEachen (Minister of Labour): Mr. Speaker, I have not yet received any communication from this particular union. Just as soon as I have I will be glad to consider it and reply to the hon. member.

HOUSE OF COMMONS

REQUEST FOR ADJOURNMENT FOR ST. JEAN BAPTISTE DAY

On the orders of the day:

[*Translation*]

Mr. L. P. Antoine Bélanger (Charlevoix): Mr. Speaker, I have a question to direct to the Prime Minister. Has he studied the possibility of granting a few days' leave to the members from the province of Quebec to enable them to join with their colleagues from the provincial legislature and their fellow citizens to celebrate our national holiday, next June 24?

[*Text*]

Right Hon. L. B. Pearson (Prime Minister): I should like to think, Mr. Speaker, that progress with our work would justify consideration of that matter.

TRANSPORT

ALBERTA—REPORTED SHORTAGE OF BOX CARS

On the orders of the day:

Mr. J. H. Horner (Acadia): Mr. Speaker, I should like to direct a question to the Minis-

ter of Trade and Commerce. Has the minister received correspondence from the Oyen and Acadia valley farmers and chambers of commerce pointing out the urgent need for box cars in the east central part of Alberta, and would he take action to see that this need is provided for?

Mr. Speaker: Would the hon. member put this question on the order paper?

Mr. Horner (Acadia): There is an urgent need.

CONTINUED SUSPENSION OF INCREASES IN EXPORT OF GRAIN RATES

On the orders of the day:

Hon. J. W. Pickersgill (Minister of Transport): I should answer the question asked by the hon. member for Saint John-Albert as I promised yesterday I would. The reason I did not answer it yesterday was that I was not quite sure whether the order in council had been passed. I knew the recommendation had gone forward to extend the date to which these proposed increases in rates are suspended. The rates that are now in existence will continue in existence until the end of the year, and perhaps longer if that is necessary.

CANADIAN CONSTITUTION

PRIORITY FOR CONSIDERATION OF PROPOSED AMENDMENT

On the orders of the day:

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, can the Prime Minister bring us up to date on the proposed amendment to the constitution with respect to the survivor benefits aspect of the Canada pension plan? Has the Quebec legislature yet dealt with the matter and can we assume that this resolution may be dealt with by the house before we get into the flag debate?

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, I have been informed that the Quebec legislature will not be able to deal with this matter until Monday. We hope and I believe they hope that it will be passed very quickly, but it will not be passed quickly enough to enable this house to discuss the matter before the flag debate begins on Monday. However, I would hope that we would be able to deal with it later in the week.

Mr. Knowles: A supplementary question, Mr. Speaker. In case the amending bill to the Farm Credit Act and interim supply are not disposed of today, is it the intention of the government to go ahead with the flag debate on Monday in any event?

Mr. Pearson: Yes, Mr. Speaker, we intend to go ahead with the flag debate on Monday.

Mr. Bell: Continuously?

POWER

COLUMBIA RIVER—METHOD OF PAYMENT BY UNITED STATES

On the orders of the day:

Mr. H. W. Herridge (Kootenay West): I wish to address a question to the Minister of Finance, and it is an important question to many of us. It is based on a lengthy article in the *Globe and Mail* entitled "Huge Payment by U.S. Under Columbia Treaty Unique and Complicated." In view of the information in this article and the contradictory statements to this article made in some United States publications; and in view of the fact that we were able to obtain very little information on this matter from the Secretary of State for External Affairs in the committee when we were considering this treaty, for which I do not blame him because it is a complicated matter, will the minister take advantage of the debate on interim supply to explain to us the circumstances surrounding the payment of these funds so all members will understand them?

Hon. Walter L. Gordon (Minister of Finance): I would be pleased to explain how the financial aspects of this transaction will be dealt with. I have not read the article and I am not in a position to do so now. I will be away for a few days, and when I return I will be pleased to go into this matter.

TRADE

BEEF—STEPS TO INCREASE EXPORTS TO GREAT BRITAIN

On the orders of the day:

Mr. C. S. Smallwood (Battle River-Camrose): I should like to direct a question to the Minister of Trade and Commerce. In view of the serious shortage of beef in Great Britain, will the minister inform the house what action his department has taken to increase our exports of beef to that country?

Mr. Speaker: This is surely a question for the order paper.

Mr. Smallwood: This is a very urgent matter. The price of beef is going down in our country today and they are importing beef into the United Kingdom.

An hon. Member: You will have an opportunity to debate that later.

Mr. Smallwood: I will debate it at ten o'clock.

HEALTH AND WELFARE

INQUIRY AS TO USE OF DOSAGE MACHINES IN HOSPITALS

On the orders of the day:

Mr. Ralph Cowan (York-Humber): I should like to direct a question to the Minister of National Health and Welfare. In view of the unfortunate experience we had with thalidomide under the previous administration when doctors were issuing prescriptions, surely the department of health and welfare is not now considering having any part in the use of machines for passing out dosages in the hospitals of Canada?

Mr. Speaker: This is a question which is highly important but has not that element of urgency, it seems to me, that should be in questions asked at this time. Will the hon. member put the question on the order paper.

FARM CREDIT ACT

AMENDMENTS INCREASING AUTHORIZED CAPITAL, MAXIMUM LOAN LIMITS, ETC.

The house resumed, from Thursday, June 11, consideration in committee of Bill No. C-100, to amend the Farm Credit Act—Mr. Hays—Mr. Lamoureux in the chair.

On clause 1—*Farming.*

The Chairman: I believe the hon. member for Roberval wanted to raise a question which he submitted to the house earlier this morning.

[*Translation*]

Mr. Gauthier: Thank you, Mr. Chairman, for giving me an opportunity to pursue my question of privilege at the opening of this sitting.

I was saying that I had some reason to believe that the Minister of Agriculture (Mr. Hays) had—perhaps inadvertently—misinformed the house last night when answering some arguments of mine. I read over this morning those arguments and that statement of the minister, which I found on page 4218 of *Hansard,* where he put words in my mouth to the effect that out of 1,500 requests, only about a hundred were accepted. I never mentioned those figures; I simply stated that 15 per cent of the loans had been accepted in my county.

In order to rectify the fact, Mr. Chairman, I telephoned this morning to the Roberval office of the Farm Credit Corporation and spoke to the official now responsible for that agency, with some witnesses on the line, so that it could not be alleged that I was making up those figures, as it was suggested last night. I gave this telephone call to the new incumbent because, last night, I somewhat put the blame on the credit advisers, but I shall tell you in two minutes that I found out something new.

The minister's words last night somewhat enlightened me and made me discover another reason which prevents the Quebec farmers from obtaining the farm loans to which they are entitled. I called up the new incumbent, because I have the pleasure to announce that the Minister of Agriculture replaced the former adviser for the county of Roberval. So, I called that office where I received some information.

Now, note this. The minister stated that 369 requests had been filed in our four counties and 121 loans had been granted, but I maintained there had been a much greater number of requests. I maintain that today, and I have proof, which I hold from the head of the Roberval office, who told me that, at the first stage of applications—and that is precisely the point to which I want to call the minister's attention, for I believe he has been misled by the Quebec report—first of all, requests are received, and the head of the office tells me that at that stage applications are not registered—and I make a distinction between applications and registered applications—about 30 per cent of farmers' applications are rejected. So, when I said the number of our farmers' applications was much larger than 369, it was because I considered that those received at the office were applications for loans.

Mr. Chairman, it is precisely at the second stage that all sorts of contradictory actions are taken, that 30 to 35 per cent of loan applications made by farmers are refused, and then the whole question is re-examined. It is at the second stage that they say that there were 369 applications, that is farmers have been allowed to make application to the Farm Credit Corporation by depositing $10. I believe that the minister has in his possession information concerning the second

stage only, that he has never been provided with information concerning the first stage.

Taking into consideration that a minimum of 30 per cent of the applications are refused, it is easy to establish the percentage, even at the second stage, of farmers who are denied loans. Considering that the minister stated that 121 applications had been accepted, I have reason to say that in the four ridings (because we have a district office for the four ridings) hardly 15 per cent of the farmers were allowed a farm loan.

I said also that, after having studied the question for approximately a year and a half, I had finally come to the conclusion that this situation was probably due to credit advisers who did not perform their duties adequately.

As can be seen on page 4219 of *Hansard*, the minister stated:

> The dominion bureau of statistics figures for the 1961 census indicate that there were 1,244 farmers in the municipality of Lake St. John West who had gross sales of over $1,200. During the fiscal year ended March 31, 1964, the corporation approved 121 loans for an amount of $1,293,900 in this county, or about one loan for every ten farmers with a gross income of $1,200 or more.

Mr. Chairman, that is precisely the secret I have been trying to find out for a long time and the statement made by the minister provided the answer. He mentioned applications approved at the second stage.

I was wondering why between 35 and 40 per cent of applications for loans from farmers were rejected at the first stage. Now, I know it is because it was discovered that their gross income was less than $1,200. The minister told us last night that the corporation makes loans only to farmers who can prove that their income is above $1,200. This means that loans are granted to farmers whose gross income is $5,000, $6,000, $8,000 and $10,000, but that no money is loaned to the farmer whose income is less than $1,200. In other words, loans are granted to the rich, but they are denied to those who need them. That is how I see it.

Mr. Chairman, even if the minister misinterpreted my remarks last night, he nevertheless gave us an explanation; he gave us evidence, once more, that the government encourages those who have money and discourages those who have none.

That is exactly why we fight and want those loans to be granted to farmers who do not earn more than $1,200 and who own two, three and even four lots, but are refused a loan of $6,000, $7,000 and $8,000 which would enable them to live advantageously and develop their lots.

[Mr. Gauthier.]

On several occasions, I called on the adviser and he told me that the act did not allow it. It is understood that, in my area, the act does not authorize loans to the small farmer; the farmer has to be rich to borrow. On account of conditions prevailing in the province of Quebec, it is therefore useless to speak about improving our land, since 60 per cent of our farmers earn less than $1,200 per annum.

The minister keeps making comparisons with the province of Saskatchewan, and says —please note this because it is good:

> The hon. member related loans in his constituency to the number of loans being made in the province of Saskatchewan. The d.b.s. figures show that, in 1961, there were 82,285 farmers in Saskatchewan with gross income of over $1,200.

In Saskatchewan, 82,285 farmers earn more than $1,200 per annum. Now, more loans are made to farmers in Saskatchewan precisely because those farmers are richer than those in the province of Quebec.

And the minister adds:

> During the last fiscal year, the corporation approved 2,332 loans in Saskatchewan, or about one loan for every 40 farmers.

Mr. Chairman, if the minister wishes to make comparisons, he should go back a few years. He said 121 loans were granted in my constituency, but I should like to know the total number of loans granted in the province of Quebec in 1964.

Then the minister goes on:

> From this it will be seen that the rate of lending by the corporation in the hon. member's constituency is about four times as high as in the province of Saskatchewan—

This is untrue. I am not very good at mathematics, in fact, some are better than I am, but while in 1962, 109 loans were granted in the province of Quebec, 1936 were granted in Saskatchewan. The minister would have us believe that 109 is higher than 1936.

In 1963, the province of Quebec succeeded in obtaining 104 loans against 2,307 in Saskatchewan. Will the minister again try to make us believe that 104 is more than 2,307.

In 1964, in Saskatchewan, 2,300 loans were granted. The minister will likely say that there are more people there; he will try to make comparisons between the population and the number of farmers. But I am prepared to put my seat at stake if the province of Saskatchewan has a greater population than the province of Quebec.

We are told that four times as many loans are granted in the province of Quebec than

in the province of Saskatchewan. How ridiculous can one be. You have put your finger on the trouble: namely that 2,307 loans were granted in Saskatchewan to farmers who are well off, while in the province of Quebec where our farmers really need loans, only a very small number were made.

The province of Quebec should be getting 5,000 loans a year, against 300 for Saskatchewan. That would be a fair proportion considering the taxpayers. Just figure it out: the province of Quebec pays five times more taxes than Saskatchewan. I have nothing against Saskatchewan, but I maintain that the province of Quebec is entitled to the same fair treatment.

If the Minister of Agriculture wants to study the situation and be responsible, let him compare the number of small farmers, not the rich farmers but the poor ones, in Quebec and in Saskatchewan. Then the figures could be reversed and doubled, and 5,000 loans would have to be granted in Quebec and only 300 in Saskatchewan, so that those two provinces could be given the same treatment.

That is the core of our agricultural problem. The needs of the province of Quebec where family farms have to be improved have never been understood. The minister's statements concerning family farms indicate that he has never known such farms nor considered their proportions.

In the application of the law as it stands at present, no consideration can be given to farmers who earn less than $1,200 a year. That is precisely what we have been criticizing for the past four or five years. As I said last night, when a farmer goes to the office, the credit adviser tells him without too much explanation: "Sell your farm and move to the city."

Only last night I got another letter from a farmer who owes $5,000 on his two farms, and yet he has 155 acres under cultivation. All he needs is a small $2,000 loan to complete his organization. But he is told to sell his farms and to leave.

What a fine reasoning. People are being paid to advise and help farmers, but this is not the way to revive agriculture in the province of Quebec, and more especially our family farms.

We were justified in the past to ask for a minister of agriculture for the province of Quebec and we shall keep on making such a demand, because I realize more and more that the legislation implemented by the minister in the western provinces is not adaptable to the province of Quebec.

The Department of Forestry was created as a front to help—

The Chairman: Order. I wonder whether the hon member is not straying away from the matter under consideration, that is the amendment to The Farm Credit Act.

Mr. Gauthier: I will come back to the subject under discussion; this was only an aside to illustrate how amendments to the Farm Credit Act even though they offer a few benefits, are still favouring western and not eastern Canada, and that is because the problems of the eastern farmers were never seriously considered.

The introduction of these new credit terms is intended to make our farmers agricultural contractors, as in western Canada. These family farms which were handed down from generation to generation are going to disappear. It is for that reason that we want to safeguard the soil of Quebec, because we must protect our family life in all spheres of society.

I consider that if the proposed amendments were more appropriate to the kind of farming carried out in Quebec, our farmers would be able, a few years hence, to compete on an equal footing with those farmers of other provinces. Our farmers merely ask for the same standard of living as that of other provinces. But what is being done today? They are shown to the door and told to go into town and to leave their farms.

Mr. Chairman, I am pleased with these amendments because two or three of them have to do especially with beekeeping and other types of farming. Farm production, in the province of Quebec, is so highly diversified that instead of these amendments, we should have had at least 10 or 12 more directly related to Quebec farming. I am sure we will get nowhere as long as the Minister of Agriculture does not examine the question. I know he can do it if he wants to. Let him come to Quebec not as someone dealing occasionally with people but as one who considers the type of farms we have and the living conditions of our farmers and, Mr. Chairman, I can guarantee that we will have only words of praise for him in the future.

[*Text*]

Mr. Hamilton: Mr. Chairman, as I listened to the hon. member for Roberval I could not help but think that if the Creditiste party in this house stuck with the issues about which

he spoke today instead of following will-o'-the-wisp issues such as the flag, which means nothing to the people of rural Quebec, and helped the people in his county by joining with us in trying to get some long range program to help the smaller farmer across the country, we would be in a much better position than we are today with regard to agriculture.

I rise to speak on the amendments to the Farm Credit Act. Some two or three weeks ago I indicated to the Minister of Agriculture that we on this side of the house would welcome legislation brought in that was positive, constructive and would do some good for at least some section of the Canadian people. Therefore I was pleased when the Farm Credit Act amendments were brought down. However, in reading over the debate, and particularly the minister's words yesterday, I was shocked to find that what I thought was just poor drafting in the bill is a deliberate policy on the part of the government.

I am referring to the cost of money. We had a farm loan board in existence in Canada from 1929, and until 1957 all the farm loan board was able to lend was approximately $110 million. This works out to roughly $4 million or $5 million a year. The reason they could not fill this big demand that arose as the result of a revolution in agriculture was the attitude of those who administered the farm loan board. This board was under the Department of Finance, and their concept of a loan was "If you want $5,000, show us $10,000 worth of assets and then we will give you a $5,000 loan".

The revolutionary, new concept that was brought in in 1959 with the Farm Credit Corporation was altogether different. This new concept was that we were trying to help agriculture to get on its feet so that more and more farmers could become commercial in their operations. I wish the hon. member for Roberval would not keep referring to these "rich" farmers in Saskatchewan. What he is really trying to say is that compared with the people in his county, many people in other parts of Canada are commercial farmers and are farming to make money. It is just as true to say this, because the wealthiest farmers in Canada are actually in the province of Ontario, where in proportion they number twice as many as there are in Saskatchewan. The job of this government and our job as representatives in this parliament is to help more and more farmers reach the commercial level of farming; and the Farm Credit Act was one of the best acts ever put on the statute books of this country to help that development. Now the very philosophy of that act is being attacked; its basic, fundamental purpose is being changed. The basic, fundamental purpose of the act was to stabilize the cost of money to the agricultural industry in order to assist those who wanted to go into commercial farming.

If you look at the history of debt in Canada —that is, debt held by the federal government —you will find, when you apply the amount of interest paid to the total amount of debt, that the average interest rate fluctuates between 3 per cent and 4 per cent. It is true that during temporary periods of around four, five and six years the interest rate goes above 4 per cent, and there are other periods when it goes below 3 per cent; but the average amount paid by the treasury of Canada to the people of Canada who lend money to the government varies, on the total debt, between 3 per cent and 4 per cent. I am not talking about the day by day cost of money; I am simply talking of the average interest paid on the total debt.

We had this issue before us when we formed the government, and we decided that if we were to bring the agricultural industry up to a higher level so that it could participate in the wealth of this country we had to give to the industry some assurance that if a farmer borrowed money for 30 years there would be a stabilized interest rate, and we picked 4 per cent as the basic interest rate that we would charge farmers.

We added to it 1 per cent to cover the costs of running the corporation and to provide a reserve against loss. We took the maximum of the average interest rate paid by the government of Canada to the people of Canada for borrowing money—because the long term average on the total debt is, as I said, 3 per cent or 4 per cent—and we were going to ask the farmers, in periods of low interest rates when the government was getting the money at below the average interest rate, to continue to pay 5 per cent so we would build up a reserve when the country swung into a high interest period, and this reserve would carry the Farm Credit Corporation through without the government having to come back to this house and ask for money. We were prepared as a government, if that reserve did not build up and the Department of Finance took the loss, to say to the farmers that they had not a fluctuating interest rate but a stable interest rate.

Therefore the issue was very simple. On the question of the basic principle of providing farm credit to lift more and more farmers to the commercial level we decided to take a stabilized rate of 4 per cent plus 1 per cent to cover costs, so that when the interest rate was low the farmer would pay 5 per cent and when the interest rate was high he would still only pay 5 per cent. We took the highest level so that in the long run there would be no cost to the treasury, and no subsidization.

The government has now changed the principle drastically. I did not realize how drastic was the change until I read the remarks made by the minister last night, as reported at page 4216 of *Hansard*. I would ask every hon. member in this committee, whether he comes from a rural constituency or an urban constituency, to write these figures down and calculate them, and then go back to his voters and ask for their support for this sort of thing. This is what the minister said:

If a farmer were to borrow $40,000, his payment on the first $20,000 would be $1,322 a year—

I ask hon. members to put those figures down and to work them out. What does it come to at $1,322 a year? It works out to a rate of 6.6 per cent on the first $20,000. The minister went on:

—and his payment on the other $20,000 would be $1,551—

That works out to 7.7 per cent. Then the minister went on to say:

—so his gross payment plus taxes—

—and I do not know how taxes got into this—

—would be $2,873.

That works out to an average of 7.2 per cent over the whole loan. When I read those remarks, Mr. Chairman, and when I read over the previous debate during which the minister and the hon. member for Essex South were lamenting about farmers having to go out and pay 10 per cent for money borrowed if they wanted more than the maximum of $20,000 and $27,500, it seemed a terrible thing. The hon. member for Essex South referred to these people who lend money as Shylocks. The more polite term for them is "loan sharks". But who is the loan shark now?

Mr. Hays: Mr. Chairman, on a point of order, there is absolutely no change in the first $20,000. It was exactly the same a year ago or three years ago. This is principal and interest. Let us get this matter straight.

Mr. Hamilton: The minister has made a remark which I am going to follow up. He said that on the first $20,000 the interest rate is unchanged at 5 per cent, and that is what the amendments say. Why did he say last night that on the first $20,000 the payment would be $1,332?

Mr. Hays: That is principal too. There is no change.

Mr. Hamilton: All right. Let me now go back to the amendments. Clause 4 is adding a new section 16A, subsection (1)(b) of which states:

—where the amount of the loan exceeds twenty thousand dollars,

(i) five per cent per annum on the first twenty thousand dollars of the loan—

—and 5 per cent on the first $27,500 when a farmer borrows under part III. Then when you define what is the interest rate on the additional amount, subsection 4 of the new section says:

With the approval of the governor in council, the corporation may from time to time by order prescribe...a rate of interest applicable to any loan made by the corporation, which rate shall be sufficient, if the whole amount of the loan were to be loaned by the corporation at that rate, to return to the corporation an amount equal to the cost to the corporation of any money borrowed for the purposes of the loan and the expenses of the corporation in respect thereof, including a reasonable reserve against loss.

If you go back, Mr. Chairman, and read the remarks of the minister in *Hansard*, he points out that the cost of the money is at a rate of 5.375 per cent, or 5⅜. The cost of operating the corporation is .87 per cent, and the minister expects the reserve against loss on the money will be one eighth or one quarter. Now if we take the lowest possible figure of one eighth we get an interest rate of 6⅜, which is what is charged on the second part of the loan. Is that correct?

Mr. Hays: Yes, that is correct.

Mr. Hamilton: The minister says that is correct. If he will take a piece of paper and a pencil and figure this out, this is what he will find. Let us suppose that a man wants to borrow $20,000 plus an additional $1,000. On the first $20,000, at a rate of 5 per cent the interest will amount to $1,000.

Mr. Hays: That is interest.

Mr. Hamilton: That is interest. We are talking about interest. To complete the picture under the amendment, if you take the whole $21,000, it must be an amount equal to an interest rate of 6⅜.

Mr. Hays: Mr. Chairman, if the hon. gentleman could be in the house a little more often and would read the act more carefully he would be able to understand it.

Mr. Horner (Acadia): Who are you to talk?

Mr. Hamilton: So what is wrong? Is it the drafting? The amendment says that the interest rate shall be sufficient that if the total amount of the loan were to be loaned by the corporation at that rate, it would return to the corporation the total cost of the loan, which is a rate of 6⅜ per cent. That is what the amendment says. Does the cost not have to be at 6⅜ per cent on the total amount of $21,000? The minister said if I were here more I would know what is going on. Let me tell him that I have been looking at the record and I should like an explanation of this. Either there is some very odd drafting in this bill which does not make sense, or how does he explain that on a loan of $20,000 the repayments would amount to $1,551? Do I understand that that will include the amortization payment as well as the interest?

Mr. Hays: Yes.

Mr. Hamilton: Then how does the minister get around this problem. If the whole amount of the loan were to be lent by the corporation the interest must be equal to the total cost, which is 6⅜ per cent. Is not the whole amount of the loan $21,000? The minister shakes his head. What is the total amount of the loan, then?

Mr. Hays: Mr. Chairman, I will be glad to explain this when the hon. gentleman is through, and I hope he will be able to understand it, because I am sure most hon. members will.

Mr. Horner (Acadia): You will have to change this bill.

Mr. Hamilton: Well, I think I have said enough to the minister to indicate that he had better have a good explanation of this; because as I read these amendments, under subsection 4 you get a rate of 6⅜ per cent on the total amount borrowed; and if the total amount borrowed, as I said a moment ago, was $21,000 you would have to pay $1,337 and some cents interest. If that is so, then the interest rate on that additional $1,000 would be not 10 per cent but 33 per cent. If a man wanted to borrow an extra $5,000 and he obtained a rate of 6⅜ per cent on the total amount of $25,000, the rate of interest would have to be 11.8 per cent.

[Mr. Hamilton.]

I want to know whether these figures are correct. If they are not, then something is the matter with the amendments and a change will be required. If I am wrong I will be glad to get up and say so. I was not going to take any part in this particular debate until I read what the minister said last night.

So, under part II on the first $20,000 at 5 per cent you pay $1,000 interest. But the amendment says you must pay the total interest on the whole amount. Thus 6⅜ per cent on $21,000 is $1,337. Therefore to get that total on the full amount you would have to charge $337 on the $1,000, which would be 33.7 per cent. Now, if you take $5,000 more than the maximum, you pay 5 per cent on the first $20,000, which is $1,000, and then for the whole $25,000 at 6⅜ per cent you would need $1,592. Therefore to make up that sum you would have to charge $592 for the $5,000, which is 11.8 per cent. Take the example of $10,000 more; it would be 9.1 per cent.

Then under part III of the act, where the basic figure is $27,500, interest at 5 per cent would amount to $1,375. But to get 6⅜ per cent on $55,000 total cost, the total amount of interest would have to be $3,503. Therefore to get $3,503 you would have to charge $2,128 on the second $27,500 or an interest rate of 7.7 per cent. But if you just want $1,000 extra, then the figure would be 44 per cent for the extra $1,000. If you want $5,000 extra it would be 13.8 per cent on the extra $5,000, and if you borrowed $10,000 extra the rate would be 10.1 per cent on the extra amount.

An hon. Member: You are wrong.

Mr. Hamilton: I hear a voice saying I am wrong. I can only go by what the minister says and by what is contained in the amendment before me. If what the minister said earlier about the manner in which these rates are to be charged was correct, then the interest rates I have quoted are also correct. If I am wrong I want to find out. We do not wish to hold up good legislation, and this is good legislation. I know that every year or so it has to be amended, and we intend to support these amendments. But these doubts have been placed in our minds after reading what the minister said earlier in this debate and after reading the amendment. It may be that the minister intends to change the cost of money on the upper part of the loan far beyond the additional penalty which has been mentioned, and to carry that cost right down to the whole amount.

I know how the minister feels about amendments to this act. This legislation is intended to help certain types of farmers, the farmers who are trying to establish commercial farms. It is not supposed to help a man farming in a really big way. But these provisions certainly cannot help those with low incomes, as those the hon. member for Roberval has talked about. Neither, by and large, can it help young people to become established and this, above everything else, is one of the things I should like to see accomplished by this legislation; because young people today cannot be assisted unless they have a father or some other relative who is able to help them. Eventually, I hope, many of these young people can be raised to the status of commercial farmers.

When I was minister I had this problem before me and I had one or two ideas about it; I had been hoping that in these amendments a start, at least, would be made. I had hoped to bring them forward in 1962 when I brought in some amendments, but a doubt remained as to whether the ideas we had at that time would have worked in practice. The provinces of Ontario and Manitoba both felt there were weaknesses in the act in this respect. They themselves brought in bills to help young farmers.

I hope the minister's advisers will continue to work on this problem of young farmers so that we may be presented with amendments likely to be of assistance to them. I know that the precedents in the United States are not altogether suitable for us in Canada, but I do think a move in this direction is the big task before us.

I will close by expressing the hope that when we get to the particular clause concerned the whole question of interest rates will be cleared up, with examples, so that we know what interest rate can be expected in connection with loans of the type under discussion.

An hon. Member: Filibuster.

Mr. Korchinski: I would not normally have risen, but I heard an hon. member say "filibuster".

Some hon. members have received answers from the minister to questions they raised earlier in the discussion, and I am wondering whether the minister is prepared to reply to several points which I raised yesterday. For example, I asked the minister whether there was any possibility of provision being made for appeals, whether an appeals committee could be set up. My second question concerned the interest rate to be set. Was it to be set annually, or semi-annually, or would it fluctuate from day to day? How were people going to know what rate of interest they would be expected to pay when they approached a farm credit officer for a loan?

My third question was in relation to the annual payments. Since there is to be a separate rate for loans above $20,000 or $27,500, I was wondering how the annual payments would be calculated. Would there be a higher annual payment in the first instance until the amount additional to the $20,000 had been paid off, or would another rate apply after this repayment had been made?

Those are the three questions I raised yesterday, and had they been replied to I should not have needed to intervene again at this point.

The Chairman: I do not wish to complicate the business of the committee, but I wonder whether in the case of questions having to do with particular clauses other than clause 1 we might not wait until we have reached the clause concerned before the minister answers those questions. I understand that this suggestion was made by the hon. member for Qu'Appelle as far as his intervention was concerned with regard to interest rates. It seems to me this was a valuable suggestion, and perhaps other members of the committee would be willing to agree. For example, questions which have been asked with regard to interest rates might be renewed or answered by the minister when we reach that particular clause.

Mr. Korchinski: That might be possible and I would go along with it, but the first question I raised might not relate to any particular clause.

Mr. Hays: I would be glad to answer one particular question, the question asking whether there might be provision for appeal. Under the provisions of the act the corporation has the responsibility to decide whether or not to make loans to individual applicants. Many farmers feel that when an application is declined they should have the right to appeal from this decision. The corporation has decided under the authority of section 11 (1)(d) of the act to set up an appeal board in each province composed of farmers or representatives of farm organizations who will be independent of the corporation and who will be asked from time to time to consider appeals by individual farmers with respect to decisions made by the corporation. In this way both the corporation and the applicant

will have the benefit of an independent review of decisions. We are now in the process of arranging this.

The Chairman: Shall clause 1 carry?

Mr. Fane: No. May I call it one o'clock?

At one o'clock the committee took recess.

AFTER RECESS

The committee resumed at 2.30 p.m.

Mr. Fane: Mr. Chairman, as almost everybody says, I did not intend to speak on this matter at all. However, I find I am constrained to speak because of certain remarks the minister made last night. The minister must be corrected because should such remarks go forth from here unchallenged he will be in worse odour in the farming regions than he is now. First of all, the minister said about the farmers last night, as found on page 4222 of *Hansard*:

> Some of them may even need money to finish putting in their crops.

It takes about three months for inspection and appraisal of the land to be made, and if a farmer made an application now he would be pretty late getting his crop in by the time he got any money from the Farm Credit Corporation. He would certainly have to wait a long time.

The remarks that the minister made about lawyers do not have very much to do with the bill but nevertheless they were made in discussing it. When the minister makes remarks in this regard such as he did, I think he cannot know what is going on in his department. Lawyers are not too plentiful in my part of the country, and in my constituency there are five. There are two firms in the town of Vegreville. One firm is headed by my Liberal predecessor in the house. That firm was doing some of the work. The junior partner in the other firm is the Liberal heir apparent in my constituency. Both these firms were doing this work.

The processing of Farm Credit Corporation loans was taken away entirely from the firm headed by the former Liberal member of parliament for my constituency and all the work in the constituency of Vegreville was given to the other firm. Believe it or not, work was taken away from the senior partner in that firm and given to the junior partner. The same girl will do the work and the only difference will be that a different man in the same firm will sign the documents. Believe me, that is a smart way of doing business. Incidentally, both these men were at one time very strong Liberals. As a matter of fact, the lawyer from whom the work was taken away was the returning officer in my constituency for 30 years. I do not think the minister knows what is going on in this regard.

I might say that I was told by a senior official of the Farm Credit Corporation that the processing of loans by the lawyer who had been the returning officer for that constituency was done more quickly than by any other lawyer in the province of Alberta. But the work was taken away from him and transferred across the hall to another lawyer in the same firm. The same girl will be looking after the work, so there is not a hope in hades of the work being done any more quickly or efficiently. However, that is by the way. I just wanted to put that on record.

The minister is very worried about farmers moving away from the farms, and he may well be. While Bill No. C-100 no doubt is a very good bill and the amendments will work quite nicely for farmers who have two or three sections of land, the bill makes no provision whatever for people with only a quarter section. A quarter section can be an efficient, economic unit. People can make a living from a quarter section if they want to work hard enough. I am talking about the west. I do not know what conditions are in Quebec or Ontario. But the Farm Credit Corporation is under the impression that the smallest amount of land that can constitute an economic unit is half a section. That is the premise on which they work.

Now, if a man has a quarter section and he needs, say $5,000 in order to get another tractor—no, I had better not say a tractor, because then he could get a farm improvement loan—but let us assume he requires something else, then he cannot get any help from the Farm Credit Corporation because there is no provision for it. I found the same fault with this act when it was first brought into being. It provides for a large outlay, but does not go down the scale far enough to provide for smaller amounts. If one is thinking in terms of two quarter sections of land in Alberta, stock and equipment to operate it properly, then that takes quite a little bit of money, especially if the farm is purchased as a going concern.

However, let us assume a man wants a loan of $5,000 to help straighten out his business. What happens? The Farm Credit Corporation inspector comes out and says "You will have to have another quarter section; perhaps you can buy an adjoining piece of land and that will cost you about $10,000 if you

are lucky". Then, the stock for that quarter section will cost another $5,000 or $6,000, so in order to get a loan of $5,000 this man will have to go into debt to the extent of about $16,000 more to the Farm Credit Corporation because they want him to have an economic unit. This is not where assistance to the farmers should start. Assistance to the farmer should start at the bottom, where the need is greatest. It is the farmers who are on small, family farms who need assistance, these people with a quarter section. They do not want to extend their operations because, perhaps, they are getting on in years and may not have any family. I mean they are not likely to be 20 years old, and they have no family to whom to turn over the farm. They just want to get the farm organized so it can be worked efficiently by the man himself.

People of this type cannot get any help, so I think provision should be made in this bill to cover such situations. The object of the bill is very good. It is to increase the capital available to be lent to the farmers of Canada, and that is very good. But when it comes to increasing the size of the loan up to $55,000, then I say one would need to have a big operation to make this economically feasible. I do not believe a farm could carry a loan of that size unless it consisted of at least two and a half sections or about 1,600 acres. The idea seems to be that the farmer is expected to borrow himself rich. This is something that cannot be done. I feel that in the majority of cases $55,000 is too large an amount to be made available, especially if the interest on the amount over $20,000 is going to be set at 6½ per cent or 7 per cent. The payment of interest on a loan of that size will just about take all the profit a man will be able to make from his farm in a year.

I say to the minister therefore that he should draft his amendments so they will include the small farmer, the farmer with a quarter section. He should make the 5 per cent interest rate mandatory, whatever the size of the loan that is granted. A 6½ per cent interest rate is too great a strain on any business such as a farm. I say to the minister that the more $55,000 loans that are made and the more interest the farmers have to pay, then the more farmers we will find moving off the land. The farmers who move off the land are mostly those who have small farms and who just cannot get help. They cannot compete under the conditions with which they are faced. I believe these amendments would be a lot better if they included help for the people on a quarter section.

As I said that my remarks were going to be brief, I think I will make any further remarks I have to make on the other clauses of the bill as they come before the committee.

Mr. Horner (Acadia): I have a few more questions to ask before we pass the first clause. I am not yet convinced on this question of the credit corporation making large loans. I am somewhat concerned that the amendments increasing the size of the loans to $40,000 or $55,000 might cause an undue increase in the cost of land. I should like the minister to give me some idea as to what relationship there is between the price of the land and the loan. I suggest in some cases in western Canada it is perhaps 50 per cent of the going price of the land. If I am wrong in this suggestion, I should like the minister to correct me. This has been my experience in some areas in which the Farm Credit Corporation has operated.

If my assumption is correct, then I believe that an applicant for a $40,000 loan would be buying an $80,000 farm or between $80,000 and $100,000. This leads one to ask where the prospective purchaser would get the other $40,000 or $50,000 which would be needed, after borrowing $55,000 under part III of this act. I come back to my conclusion that these provision are a direct help to the large farmer who has the extra $50,000 in his pocket and who goes to the Farm Credit Corporation to borrow another $40,000 or $50,000.

I should like to correct any false impression the minister may have in his mind when he suggested yesterday that I had a great deal of land in the Hanna district. The Hanna district lies east of Calgary some 200 miles from the Rocky mountains. It has been referred to on many occasions as the dried out part of Alberta. During the thirties farmers were shipped out from that area and the government paid the cost of shipping them out. Much of this area was broken up at one time, but now has been allowed to go back to grass. It is an area which, to some extent, is a bit behind the rest of the province of Alberta. If anyone has not got a large holding of land he cannot survive in that area because it takes 50 acres to support one cow. I do not know whether the minister was fully aware of this, and that most people in the Hanna area have to have a fairly large provincial lease in order to run a fair amount of cattle. I mention this so that it may receive better understanding.

I am pleased with the corporation's operations in this district which is a unique one in its own regard. It does not operate in the municipality. It operates under what the Alberta government calls special areas. They will only allow one cow to 50 acres, and you cannot buy the land from the provincial government. There are something like 3 million acres under provincial lease, and in 1961, or the spring of 1962, the federal government and the Farm Credit Corporation worked out an agreement with the province whereby money could be lent on this leased land for the purchase of it.

That was a major step forward in this dried out part of Alberta. It is an area which suffered tremendous economic losses during the thirties, recovered to some extent during the forties, but is still at the far end of what might be called an agrarian revolution with regard to enlarging farms. In order to enlarge their holdings most farmers in this area must have an opportunity to buy out their neighbours. In fact, any person coming into a special area cannot purchase land until it has been advertised for one month and the local residents have an opportunity to meet the price which the outside purchaser is prepared to offer. If a local resident meets this price, then he gets the land and the outside person has to go somewhere else to look for a place. The reason the provincial government has written this provision into its special areas act is to try and help local farmers enlarge their holdings.

In many cases when leased land comes up for sale all a resident farmer needs is a small loan, something in the neighbourhood of $10,000 to $15,000 to enlarge his holding. As I say, this is a unique area in Canada but it is an area in which the corporation, during the short term of years it has been operating there, has played a great part. I hope it will continue to play an even greater part.

I have mentioned that the district went through a tremendous economic upheaval in the thirties, with the result that bankers, lending institutions, and more particularly the old farm loan board would not venture into the area to make loans. Now the corporation is doing a tremendous job of work in the district and out of one office in Hanna it lent something like $500,000 last year. This is a small amount compared with the totals loaned in other parts of Alberta and throughout the country, but it helped a great many farmers in the district.

Under the new scale of loans proposed in this bill $500,000 would represent only 10 loans. There are some 3,000 farmers still operating in this district and I would like to see more than 10 of them benefit from loans given by the corporation.

There is a tremendous lot of cultivated land in many parts of my constituency, and in these areas it has been my experience that the corporation lends something in the neighbourhood of half the going price. If this is not the case I would like the minister to correct me, but if it is, it suggests that a purchaser must have another $30,000 to $50,000 to back up his proposed loan in order to buy a farm, and if he has this he does not need a loan from the corporation.

Last night the minister told the committee what he thought an economic unit should be. He said that a dairy farmer must have a big enough milk contract to justify his operation and provide his family with a good standard of living. He suggested that a dairy farmer should have 100 acres of pasture for his cattle, and that an economic beef herd in eastern Canada should include 50 cows. I would like to think that the same would apply to western Canada and, if I am wrong, again I invite the minister to correct me.

Further, before we pass clause 1, I would ask the minister to enlarge upon what he feels is too large a unit upon which the corporation should make a loan. We are all aware of the principle upon which the corporation was set up, that of helping those who need help most. Last night the minister said there were still many farmers who operated too large holdings to receive loans under the Farm Credit Corporation. He has outlined what he considers a minimum holding should be, and I would like him to outline what he considers is the maximum holding. He may point his finger at me, meaning I qualify under the minimum. I am pleased to hear that.

My neighbours and I have suffered severe drought conditions during the past three or four years, but we have been able to survive this by shipping in feed, by a tremendous expansion of P.F.R.A., and by pumping water into dugouts. We have gritted our teeth and borne with the dry weather of the past few years. This year we hope that once again we will be able to grow some feed of our own and raise some crops. This is considered the poor area of Alberta. Sometimes I have referred to it as the forgotten part of Alberta, and certainly from time to time the Alberta government has completely forgotten about it.

I would like the minister to outline what the corporation considers a maximum unit for a dairy herd, a beef herd and a grain farm. Further, is it not a fact that the increase in loans might cause land costs to go up? Is it not a fact also that the standard practice of the corporation is to make loans averaging about half the going price of the land for sale? These are two questions that concern me and which should be answered before clause 1 is passed.

I am still concerned about the proposition of a father borrowing for his son. This was the question I raised last night, and which the minister did not answer. Many other hon. members have referred to this matter of sons aged 16 and 17 years prepared to undertake farming after leaving school, and working with their fathers. I would like to see a father be able to borrow money for a son who is, say, 18 years of age. Earlier today, and not in connection with the Farm Credit Corporation, it was mentioned by an hon. member that 16 years of age was considered in Ontario to be an eligible age with respect to another matter. I wonder if age 16 also has a bearing with regard to a farmer borrowing money for his son in order that he may purchase land. Perhaps the minister would make a brief reply to the three questions I have dealt with particularly in my remarks, Mr. Chairman.

The Deputy Chairman: The hon. member for Mackenzie.

Some hon. Members: Oh, oh.

Mr. Korchinski: Mr. Chairman, I hear some groans from the Social Credit part of the house. This being the first piece of legislation the Minister of Agriculture has introduced into this house, one would have thought everybody would have taken advantage of this occasion to try to make this the best piece of legislation he could ever introduce. But obviously there does not seem to be too much concern from that quarter.

An hon. Member: That's what you think.

Mr. Korchinski: That appears to be the case, judging from the groans anyway. The first thing I am concerned about is something the minister mentioned last night. He said that in future any interest charged will take into account a provision for bad debts. This is to be found on page 4212 of *Hansard,* where the minister is reported as having said that interest would be charged, plus an amount for bad debts. In my view this is a wrong principle to be applied here. First of all, Mr. Chairman, why should any future borrower have to make up for any bad debt in respect of a loan that, perhaps on the advice of the Farm Credit Corporation adviser, somebody had obtained and for one reason or another was not able to repay? Why should anybody obtaining a loan from the corporation in the future have to make up for a bad debt which may have been incurred by the fault of the corporation.

If the department is going to take that attitude, I wonder how the corporation will react when an applicant comes in for a loan. Probably one of the first things they will think about is, "We want to make sure this is not going to be a bad debt". In other words, they will take the view that every loan they approve should be paid off 100 per cent. There may be many borderline applications where the people involved would end up being a good risk, but where the Farm Credit Corporation adviser at the time the loan was applied for may have felt it was not a good risk. The adviser may well have uppermost in his mind the thought that the corporation does not want to incur a bad debt, because if they did somebody in the future would have to make up for that bad debt and the corporation would be criticized for borrowers being obliged to pay a higher rate of interest to make up for it.

I see the minister shaking his head in disagreement, but I think this is what his words mean. I should like to quote from *Hansard* what the minister said with regard to this question:

> We do not expect this will be much larger, and it will be plus an amount for bad debts.

To my mind this spells trouble. First of all the maximum use of the Farm Credit Corporation facilities will not be obtained because the corporation's adviser will be hesitant about approving a loan for fear it will result in a bad debt and somebody will question his decision. If this practice is followed, naturally any man who asks for a loan in the future will ask the question, "Why should I pay for somebody else's bad debt?" If there is a bad debt incurred by the corporation, I suggest this should be something the government should subsidize. I think the government should pay for these bad debts and should allow the Farm Credit Corporation adviser enough leeway so that he will not withhold a loan in respect of someone who might be a good risk.

I hear voices on the other side of the chamber, Mr. Chairman. I do not know what the argument is over there because, as I said, this is the first piece of legislation the minister has introduced and the record of this government indicates that after scrutiny by the opposition they have had to change so many other things they have introduced. I think this is another of those areas with regard to which they should be prepared to accept some good suggestions. I ask the minister to reconsider his position on this matter and remove the provision that farmers taking out loans should pay for bad debts which may be incurred as a result of a decision made by the farm credit adviser, who may have been thinking properly and on the basis of information he had received but might not have made the right decision. If a bad debt is incurred I do not think it should be considered to be the fault of the Farm Credit Corporation adviser, and the government should revise its position in this regard and provide a subsidy if necessary to make up for any bad debts that are incurred. It should not be the responsibility of the borrowers to make up for bad debts. I wonder whether the minister would care to make any comment on this question, Mr. Chairman.

Mr. Hays: Mr. Chairman, the very thing the hon. member is suggesting is in the act at the moment, which provides that the corporation shall establish a reserve out of which may be paid any losses sustained by the corporation in the conduct of its business.

Mr. Korchinski: Where is this provision to be found?

Mr. Hays: This is on page 7 of the Farm Credit Act. It is already in the act, and we do not propose to change this provision. The hon. member for Qu'Appelle mentioned this matter this morning. We are proposing that in regard to amounts in excess of the $20,000 and the $27,500, an amount being not more than one quarter of 1 per cent—and it would probably be one eighth of 1 per cent—be charged to take care of bad debts. The hon. member is suggesting that we should be a little more lenient when considering loan applications. I am sure all hon. members feel that the discussion during the last five days has been to the point that perhaps the administration are a wee bit too tough in regard to granting loans.

I should like to reply to the questions raised by my hon. friend from Acadia, who is not privileged to receive a loan because he has so much money that he would not qualify.

Mr. Horner (Acadia): Mr. Chairman, I would like to make a correction here, on a point of order. The minister is imputing great wealth to me. Great wealth is a nice thing to have even for a minute or two, but I certainly haven't got it. I would like to point out to the minister, though, that no member of parliament is allowed to take advantage of the facilities of the Farm Credit Corporation, and under this clause I certainly could not do so; otherwise there would be no restriction as far as I am aware.

Mr. Hays: I still have a right to my personal opinion—

Some hon. Members: Oh, oh.

Mr. Hays: —with regard to the hon. member and I know he is down here mostly for the sport of it. I have answered one of the questions raised by the hon. member for Acadia. The Farm Credit Corporation was not in the original instance, I believe, designed for the benefit of the farmer who is in a good economic position; the industrial development bank would take care of this sort of person.

Mr. Horner (Acadia): Could the minister give us a better outline of this provision? He outlined the minimum, and I would ask him to outline the maximum. It would be a great guide to me in advising my local farmers—and I know this applies to many other hon. members also—if he would outline the maximum as well as he did the minimum yesterday.

Mr. Hays: As I suggested at the beginning of the debate, Mr. Chairman, the annual report is now in the hands of the queen's printer, and we would like this to go to the agricultural committee. It seems to me we could have a thorough discussion on the matter at that time.

Mr. Horner (Acadia): Is the minister suggesting that this bill will be referred to the agricultural committee?

Mr. Hays: No, Mr. Chairman.

Mr. Horner (Acadia): This was the desire of the critic who was the former member for Assiniboia when the matter came up before.

Mr. Hays: I suppose this is a matter of judgment, as to the maximum or minimum. It is not spelled out clearly what are the maximums or minimums. This is a matter of

judgment, and it seems to me it is something which should be discussed at the proper time, which I think would be when the annual report is before the agricultural committee.

I should now like to deal with two or three aspects of the debate. We worked all through noon hour in an attempt to make matters as plain as possible. We recognize that it would be unfair to expect those who borrowed amounts—this is answering some of the points raised by the hon. member for Qu'Appelle—in excess of present limits to bear the cost of losses on loans made at the 5 per cent interest rate, and we asked the legal officers of the Department of Justice to draft the bill to prevent this. Subsections (1) and (3) of section 16A specifically provide that loans up to the present maximums shall bear interest at the rate of 5 per cent. These same sections of the act indicate that the amount of the loan in excess of that will be at the interest rate prescribed under subsection (4).

Subsection (4) was drafted so that it would provide that the rate of interest charged on the excess amounts and prescribed under subsection (4) would be that rate which would be an economical rate for the corporation if all the money it was lending was at that rate. The two previous subsections to which I have referred specifically indicate that the rate as prescribed under subsection (4) will be applicable only to amounts in excess of the present maximums.

I think hon. members should look at the word "if" in subsection (4), as it is the key word. In determining what would be an economical rate for the corporation it is necessary to look at their over-all operations. The cost of money at the moment—and I mentioned this earlier—which is generally determined four times a year, is 5⅜ per cent. The over-all cost of administration last year was .87 of 1 per cent of the capital outstanding. A reasonable reserve for loss, as I have indicated, may be one eighth but would certainly not exceed one quarter of 1 per cent. This is the rate which would be an economical rate if the whole amount of the loan were to be lent at that rate.

I should like to emphasize that subsections (1) and (3) of section 16A definitely provide that the amounts up to the present limits cannot be lent at the economical rate, and therefore this rate, whether it be 6¼, 6⅜, or some other figure, as the cost of money or the cost of administration changes, will be the rate which applies to that amount in excess of present limits.

If a borrower gets a loan under part II of the act of $21,000, as suggested by the hon. member for Qu'Appelle, the interest rate on the first $20,000 would be 5 per cent. The interest rate charged on the additional $1,000 would be that rate prescribed under subsection (4).

I might go back to the rate of 5 per cent because this rate of 5 per cent includes the cost of administering the act. The 5 per cent includes the reserve and cost of administration. If that rate should be 6¼ per cent or 6⅜ that would be the rate charged on the additional $1,000. If a farmer should borrow $40,000, then the rate on the first $20,000 would be 5 per cent, including cost of administration, and, the rate on the additional $20,000 would be whatever rate which might be prescribed under subsection (4).

The legal officers of the Department of Justice and the legal advisers of the Farm Credit Corporation are satisfied that the provisions of clause 4 would prevent the corporation from setting a rate, on amounts in excess of the present limits, which would be designed to cover any losses on amounts lent at 5 per cent.

I am sorry if any hon. members misunderstood any statements I made yesterday with respect to payments, or if I misled them a little when speaking about the 5 per cent rate. I should have included in the 5 per cent the cost of operation and the administration, which was .87 of 1 per cent; and depending on what we had to pay for money, any reserve that might also be included would be included with a maximum of 5 per cent. I hope that that takes care of the points raised.

I have worked out a table, Mr. Chairman, which I think also explains what I have just said, so far as the interpretation of the act is concerned. On a $40,000 loan, with an interest rate of 6½ per cent on the extra $20,000, payments of principal and interest would be as follows. With a rate of interest of 5 per cent on $20,000, the repayments would work out at 6.6 per cent, which would include interest, cost of administration, cost of reserve, and the loan amortized over 30 years. Or at the end of 30 years that portion of the loan would be retired. The principal and interest would amount to $1,322 a year over the whole period and the loan would probably be retired in the twenty ninth year. At a rate of 6½ per cent on $20,000 the repayments would work out to 7.56 per cent principal and interest, costing $1,512 a year on

the additional $20,000. This would amount to a total annual payment over the whole amount of $40,000 of $2,834. The average interest rate on today's market would be 5¾ per cent and the average amortization over the whole period would be at 7.08 per cent. After 30 years the whole $40,000 loan would be retired. Perhaps I should explain at this time that when the person who had borrowed $40,000 was down to the last $15,000 he would still be paying 7.08 per cent principal and interest.

As I mentioned yesterday, the Farm Credit Act is a very close copy of similar acts in the United States and other countries, and is certainly an improvement over the old farm loan board; I do not think there is any doubt about that. The limits in the United States are $95,000; $65,000 for land and $30,000 for chattels.

These are some of the studies which we made during the last year and which I think fully justify the increase in the larger amounts. One group of grain farmers in Saskatchewan had an average capital investment of over $31,000. The average cash receipts for those farmers were $4,700 and the average net return was $1,400. Another group of farmers in the same area had an average investment of about $48,500. The cash receipts were $8,100 and the net returns were about $3,600. The net returns to the farmers with the larger capital investment were more than double those of the farmers with the smaller capital investment, and it is natural that they should be because there would probably be the same equipment, and that sort of thing, to take care of the larger economic unit. That is with regard to grain farmers.

Another example is that of the mixed grain and cattle farmers in Saskatchewan. Farms with a capital investment of $38,500 showed cash receipts of about $5,500 and a net return of about $1,400. Similar farms in the same area but with an average capital investment of $57,600 had cash receipts of $8,900 and net returns of $3,340.

The same relationship was shown on farms in Manitoba. There were three groups of grain farms. These had capital investments of about $37,000, $52,000 and $76,000. The cash incomes for this group amounted to about $10,000 with a $37,000 investment, $13,300 with a $52,000 investment and $21,300 with a $76,000 investment. The respective net returns by groups of farmers were about $5,200, $7,600 and $11,800.

A study of the livestock farms of Manitoba has shown that the same farmers with a capital investment of $13,500 had a net return of $1,700. As the amount of capital increased, the net return increased. Farmers with an investment of $55,000 showed an average net return of $6,400.

These are some of the methods by which we can attack these agricultural problems. I know that help is needed by a combination of methods. We need the assistance given by ARDA and some of these other measures, but I think the bill before us has a very important part to play in the setting up of economic units. This provision for making proper credit facilities available is closely tied in with our amendment concerning farm improvement loans, with the crop insurance bill now on the order paper and with the farm machinery bill which we hope to get on the order paper very shortly. I know this is not a complete answer; there must be proper markets, and so on. But we hope these amendments will bring about a marked improvement in the act for the benefit of farmers.

There is one other question I should like to answer. I believe it was raised last night by the hon. member for Burnaby-Coquitlam who asked what the rates of interest were under Small Businesses Loans Act. I think we are completely consistent in making the proposals contained in this amendment. In this whole field of government lending, or government guarantee of loans, various practices are followed. Under the National Housing Act a rate of interest is prescribed in much the same way as it is proposed to do under this bill for loans in excess of $20,000 and $27,500.

Under the home improvement loans provisions, the banks make insured loans at a present interest rate of 6 per cent. The industrial development bank lends money to small industry at 7 per cent. The hon. member for Burnaby-Coquitlam yesterday referred to the Small Businesses Loans Act. These are bank loans, guaranteed by the government, and in this case the maximum interest authorized is 5½ per cent. The maximum amount of these loans is $25,000.

Then there are fisheries loans. These also are made through banks under government guarantee. The interest rate is 5 per cent and the maximum loan is $4,000. There has also been the Veterans Business and Professional Loans Act under which loans have carried a 5 per cent interest rate to a maximum of $3,000. Under the Farm Improvement Loans Act, loans under which are made by banks under government guarantee, the interest rate is 5 per cent. The present maximum limit is $7,500. This brings us to the Farm

Credit Act and the present bill and, as the committee knows, the rate of interest on standard loans up to $20,000 and supervised loans up to $27,500 is not being disturbed.

So we think there is full justification for doing what is proposed here. It is consistent with practice in the past, and we think it is right, that after a certain minimum we can go on and charge the economic rate. This rate is based on what the government has to pay for money, plus the cost of administration and the reserve.

Mr. Horner (Acadia): Would the minister answer my question with reference to the relationship between the loans and the going price of land? Have any studies been made?

Mr. Hays: We have not made many studies. This is one of the reasons we set up an interdepartmental committee. The loans are based on the ability of a farmer to repay them plus interest in addition to making a living for himself and his family. The value of land varies, of course. If it is a tobacco farm it may be worth up to $1,000 an acre. A dairy farm close to Toronto, for example, is worth more than similar land elsewhere. But the corporation lends the money on the basis of the borrower's ability to pay.

Mr. Horner (Acadia): Is it not a fact, in practice, that the loan is approximately half the going price of the land? I am not thinking of a tobacco farm. I am thinking of an average situation across Canada.

Mr. Hays: I still go back to the statement that this is a matter of judgment and administration. The corporation is investing the people's money and it is, naturally, very careful in doing so. In some respects I think the hon. member may be correct. I would point out that the corporation was able to lend $108 million last year, which is a good deal more than in any previous year, and present applications indicate that another record is going to be set. Part of the reason, no doubt, is that more people are becoming familiar with the procedures to be followed under this act.

The question has been raised whether these loans will cause an increase in the price of land. Some people think they will, others that they will not. Nevertheless I think we need to raise this limit and I am sure the hon. member must agree with me, because he said so himself yesterday.

Mr. Korchinski: Can the minister indicate whether, if the amendment is passed, he foresees that there will be a loss in the reserve—in the fund which normally sits there in case of bad debts?

Mr. Hays: The provisions we are seeking will have to do only with the portion of the loan which is in excess of the present level. The reserve to be set up is intended to cover loans in the higher brackets. It will have nothing to do with the lower brackets.

Mr. Korchinski: In other words, there could conceivably be a loss sustained if the corporation has to get its money at a rate higher than the 5 per cent charged under the previous set-up.

Mr. Hays: Yes, we can conceivably sustain a loss.

Mr. Hamilton: I should like to thank the minister for the explanation he has given. What he has done is to say that the experts in the Department of Justice and the Department of Agriculture have interpreted this subsection under discussion to mean that the interest rate arrived at will not be a rate sufficient to cover the losses or carrying costs of the whole loan; it will just cover the cost of that section of the loan which is over $20,000 or $27,500.

Mr. Hays: The estimated .87 per cent will pertain to the whole loan. Any losses incurred will come from the reserve established for the larger loans.

Mr. Hamilton: Perhaps I might take a little longer on this point. First of all, I have learned from experience that when the legal officers of the crown advise you, you accept their word because they are the final authority to which we can go. If they interpret the language of this amendment in that way, I will accept that finding for obvious reasons. But the point raised by the hon. member for Mackenzie is a valid one, that since the Farm Credit Corporation is paying 5⅜ per cent on the money it needs to borrow there obviously must be a tremendous loss on the amount of money lent under the original provisions of the act. I think that is true. If you are borrowing money at 5⅜ per cent and there is a cost of 1 per cent to carry on the work of the corporation and set up a reserve, then the cost of handling a loan of $20,000 or less is 6⅜ per cent. The point the hon. member for Mackenzie was making was that if you do not have enough money in the corporation accounts to absorb this continual drain, would it not be necessary to come back to the house and ask for a vote to make up the loss on loans up to $20,000 and $27,500?

Mr. Hays: This will be done by special vote as it was done last year.

Clause agreed to.

On clause 2—*Capital.*

Mr. Leboe: On clause 2 I have a few questions I should like to put to the minister for purposes of clarification. First of all, I should like the minister to inform us as to what the total loan capacity would be under this provision. Would the $24 million from the consolidated revenue fund which is placed in the capital account of the corporation mean a borrowing capacity of $600 million? Would the total amount of loans that the corporation could make be $600 million or $624 million?

Mr. Hays: It would be $624 million.

Mr. Leboe: If I understand correctly, I believe the corporation does not pay any interest on the $24 million in its capital account. Is that right?

Mr. Hays: That is right.

Mr. Leboe: I should like to ask the minister a question having to do with clause 2, but I should like to relate it to clause 4 which provides for a new section 16A. My question has to do with the part of clause 4 specifically stating that there is going to be a varying interest rate according to the cost. In that connection I should like to know where the consolidated revenue fund gets the money it is going to lend. I should like to find out, because there is a varying cost here. I should like to know from the minister exactly where the money in the consolidated revenue fund comes from which has an influence on what we are dealing with here, the interest rate.

Mr. Hays: That is quite a question, Mr. Chairman. The government, of course, gets its money from various sources. It gets it from taxes. It gets some of its money from crown corporations such as Eldorado Mining and Refining Limited, and Air Canada, which made a little money last year. In the case of a deficit, say in the Export Credits Insurance Corporation the government has to go to the people and borrow money. Whenever I want to get any money from a crown corporation for the Farm Credit Corporation I tell the officials to be sure to get it from that portion of the money they have had to raise by way of bonds and to pay members of parliament with the money they get from taxes.

Mr. Leboe: I like that last sentence, because this leads me right into the core of my question. The minister referred to borrowing. Can he tell me whether or not in connection with this legislation the government has sold bonds to the Bank of Canada?

Mr. Hays: We should have the Minister of Finance here. The only thing I can do as a businessman is to borrow on behalf of the Farm Credit Corporation and then repay. I think the hon. member is relating this to clause 4 of the bill. The particular money we would get would come out of that portion on which something had to be paid to get it.

Mr. Leboe: In other words, the minister is indicating to me that there are certain funds being made available to the government on which they do not pay anything. Is that what he is indicating?

Mr. Hays: That is your statement.

Mr. Leboe: I want to know whether the minister is indicating that to me. I have in mind that the economic rate is going to be based on the cost, and it seems to me we should be in a position to know the situation. That is why I took the trouble to telephone the minister's office and talk to him about this question. As he will recall, I wanted him to get in touch with the Minister of Finance so he would have an answer to this question. I think it is an important question. I believe that if the bonds of the government related to this particular act were confined to bonds sold to the Bank of Canada, and the profits from the interest rate on those bonds reverted to the consolidated revenue fund we could supply money to the farmers at a much cheaper rate than 5 per cent. I think this would be a very important step, particularly in the case of smaller farmers in the lower income brackets, from the point of view of making their farms economic units. That is why I should like to find out from the minister if any of the bonds that the government sells to get this money are sold to the Bank of Canada and whether the Bank of Canada actually retains these bonds for any length of time. This is what I wanted the minister to find out from the Minister of Finance before he got away. Apparently he did not get an answer for me.

Mr. Hays: I would be very glad to take this matter under serious consideration. We will investigate it thoroughly.

Mr. Leboe: Will you give me an answer some time?

Mr. Hays: Yes, I will be glad to investigate this matter and give the hon. member an answer, if we can get one.

Mr. Leboe: "If we can get one". I should like the minister to undertake to give me an answer because I know that if he persists, as I hope to do from now on, he will get an answer, and I would rather the minister would do the persisting.

Mr. Hays: I will be very vigorous in this regard.

Clause agreed to.

On clause 3.

Mr. Korchinski: Mr. Chairman, this clause enables the borrower to acquire farmland or to advance money to a person who is a son, son-in-law, daughter, and so on. I will not read the whole clause. I wonder whether the person who is willing to sign a document enabling his son or daughter to acquire land must be a farmer or whether he may be a businessman, financier or any other type of individual?

Mr. Hays: In the first place, Mr. Chairman, he must be a farmer. Probably I should explain subclause 1 of clause 3. Suppose a father has two sons who wish to take up farming. His own farm unit may not be large enough to support the two of them. He may wish to transfer to one of his sons but at the same time to assist the other son to buy a farm of his own. This son may have worked for years on the family farm and contributed labour at a relatively low cost to his father.

Although the father may wish to assist the son financially it may be that his own farm, while adequate for his needs, did not produce enough revenue that he could make savings and have the money available to assist his son. This clause would permit him to borrow from the corporation and turn the money over to his son to permit him to make a down payment on the purchase of another farm. The son, who would then have an equity in the farm he was buying, would be able to go to the corporation and obtain a loan under part III of the act, the part where there is supervision, to pay the balance of the purchase price of the farm and to purchase livestock and equipment.

He would probably share in the use of his father's machinery and exchange labour with him, so that his requirements for machinery would be modest and he could use more of the credit available to him from the corporation to purchase livestock. Under this arrangement, it may be quite possible for a father, even with a modest sized farm, to join with the corporation in providing the capital necessary to start his son up in a farm career of his own.

Mr. Korchinski: Supposing a farmer might not qualify for a loan because he may have too large a holding and the corporation refuses him a loan for his own purposes. Then he turns around to the farm credit officials and says he wants to purchase land for his son. Would he be able to do this?

Mr. Hays: If the son is going to farm on his own and he needs the land for this purpose, the corporation would entertain such an application.

Mr. Korchinski: What provision would the corporation have for investigating whether or not the son is actually farming on his own? Could the minister indicate what they would have to look for, and would the officials go around every so often to see if the son were actually farming on his own? Perhaps the father wanted to expand, and used this method of doing it.

Mr. Hays: I suppose the same principles would be applied as are applied today on any loan. The officials would probably ask the hon. member, if this were in his area, and this would be good, solid information upon which they could act.

Mr. Korchinski: Will the minister also give me an indication as to whether the father and son have to sign the document or who makes the repayment in this case? Is it the son who is responsible or is it the father?

Mr. Hays: The father pays back the money he borrows from the corporation and the son pays back what he owes.

Mr. Korchinski: In other words, then, there will be two payments that would have to be made to the corporation.

Mr. Hays: Not necessarily, but possibly.

Mr. Korchinski: What do you mean, "not necessarily"? Either the father has only one payment or the son has one payment, or there is a separate payment for each loan.

Mr. Hays: The father would pay for the amount that he borrowed to help the son, and the son would pay back the amount he owes on his own loan.

Mr. Korchinski: Suppose the father does not qualify because he does not have a large enough holding to qualify, would he be able

to assist his son in this case? Is there any provision which makes it possible for the son to be given assistance under those conditions?

Mr. Hays: I suppose if the man could not pay back his loan, the loan would not be granted. It is a matter of judgment as to how this would operate. The corporation, I believe, will co-operate with anyone to see that a combination of circumstances such as those to which the hon. member referred would be resolved, just as long as they were able to receive their money. If it were a father and son relationship they would probably work that out without too much difficulty.

Mr. Korchinski: Suppose a father and son have to make payments and the father makes his payments but the son does not, or refuses to do so; what happens in a case like that? Does the corporation foreclose on the father, or on the father and son? What is the situation?

Mr. Hays: The mortgage held on the father's farm would be dealt with separately, and we would deal with the son in so far as his mortgage is concerned. I suppose this would be the procedure. There are two separate mortgages.

Mr. Korchinski: I am suggesting that the father is making his payments and the son is not. What happens in a case like that? Why would the father be penalized for what the son is not doing?

Mr. Hays: We would do the same thing the hon. member would do. We would take a look at the situation objectively, approach it with great caution and dignity but with a sense of dispatch, and I think we would be able to resolve the problem. I can see the hon. member's concern in this regard, but I believe the supervisor of the Farm Credit Corporation would take everything into account, check the regulations and if it were a big problem he may even go to his superior. However, I feel we could resolve this problem. We are not trying to set up anything difficult, and it seems to me these problems could be handled.

Mr. Korchinski: What steps would the corporation take in the event the father passed away?

An hon. Member: Insurance.

Mr. Korchinski: All right, someone volunteered information about insurance. What happens if the father has been making his payments and the son is willing to continue making his payments? Is there any provision to take care of a situation like this?

Mr. Hays: It would be handled in the same manner as the case of a farmer who dies today. In some cases part III loans carry compulsory insurance. Insurance is not compulsory for farmers who have part II loans, but about 60 per cent of them are insured for the protection of the borrower. I suppose that situation would be handled exactly the same way today as when a person dies.

Mr. Korchinski: I think this is important because in some cases the son may have been making payments for 15 or 20 years. He does not want to find himself suddenly in a position where he may lose his property. Is there any provision or is there not, to safeguard against such a situation? It is quite possible to get into a situation such as this.

Mr. Herridge: Is it not true that every person who signs a document assumes an obligation? If as a result of unfortunate or unforeseen circumstances he is not able to meet this obligation on time, the corporation will accept its responsibility to the government and the people and also consider the circumstances in its usually humane manner to arrive at a satisfactory settlement?

Mr. Hays: I should like to thank the hon. member for his complete explanation. I am sure it will satisfy the hon. member for Mackenzie.

Mr. Korchinski: I thank the hon. member for his wonderful co-operation with the minister, but he still did not answer my question. Let me put it another way. In the event of the death of a father, would this debt be immediately recoverable or be considered a bad debt?

Mr. Hays: May I ask the hon. member to give a specific case?

Mr. Korchinski: I have not got a specific case because you have not got the bill before the house yet.

Mr. Hays: There are two separate loans and they would have to be repaid. Each one is treated as an individual loan. There are provisions in the agreement and these people are supposed to discharge their obligations. If one member dies, then the same thing would happen as if he died today and one loan was in existence. We have two loans here and we are dealing with two separate people. They are both obligated to discharge their own responsibilities.

Mr. Rapp: Mr. Chairman, I should like to have some clarification with regard to beekeeping. I cannot see where in this paragraph it says a beekeeper can obtain a loan. Can he obtain a loan if he is strictly a beekeeper, or does beekeeping have to be a sideline? If he farms half a section of land and has a couple of hundred hives can he obtain a loan strictly to improve or get more hives? Must he be strictly a bee farmer?

Mr. Hays: If he wants to be a bee farmer, a grain farmer and a livestock farmer, as is my hon. friend, he can be so. If he wants to retire and go to town, and be a bee farmer all by himself, this will take care of him too.

Mr. Nasserden: With regard to loans made to sons and relatives, does the unit the young person is going to set up have to be an economic farm unit?

Mr. Hays: We would hope it would, but we might see the son starting off on a modest venture, and he would probably be sharing his father's equipment and increasing his unit from time to time.

Mr. Nasserden: Am I correct in assuming it would not have to be an economic farm unit?

Mr. Hays: Not necessarily, if he were just beginning.

Clause agreed to.

On clause 4—*Interest on part II loans.*

Mr. Hamilton: I want to make now the remarks I originally intended to make on this amendment. First of all, I would like to remind the members of the committee that the subject of interest rates has been the core of the whole debate on farm credit ever since the bill was introduced originally. I should like to read into the record the original clause introduced in this house on June 29, 1959, and then I think the history will become dramatically clear. Section 9(c) read:

> Interest rates on loans shall be at a rate that, in the opinion of the corporation, is sufficient to provide for the interest payable by the corporation to the Minister of Finance and the expenses of the corporation, including reasonable provision for reserves against losses.

This was the original draft brought into the house in June 1959. In those days we had on the government side a large number of members now sitting on the opposition side, who stood up in their places and said they did not want that provision as it was. The government of the day yielded to the members of the government party and changed that clause 16(c) to read as follows:

> The interest rate on loans shall be 5 per cent per annum.

In the amendment proposed it is stated that section 16(c) shall be repealed, and that is why earlier today I mentioned the doubt in my mind whether the forces that want high interest rates back in Canada had won a victory over the Minister of Agriculture. I wonder, in view of the struggles we had in 1959 to get the principle of the stabilized interest rate of 5 per cent for agricultural loans, whether that principle has been lost to a degree in these new amendments, and particularly in this amending clause 4.

Once you get it accepted that you are going to depart one step from the principle of stabilized loans and apply a variable rate of interest to loans above a certain amount, it is not much of a step backwards to try and apply that principle—as finance people try to do—over the whole of the original part of the loan.

Today we have accepted in effect that we are going to put amendments through that will allow for the keeping of this 5 per cent principle on loans up to $20,000 under part II and on loans up to $27,500 under part III, but will the minister give the committee his assurance, and I hope with it the assurance of the whole government, that there will be no further steps taken to try and change the 5 per cent rate on the first part of the loans up to $20,000 and $27,500, to this variable amount?

This assurance from the minister would be a great help to us in the opposition. We belong to the group that fought for and won the principle of stabilized interest rates. Now the minister is varying the rate for the higher amounts. We are not going to quarrel with this too much, but if we do accept this one step does it mean the minister will be coming back and asking for the same principle to be applied to old loans?

The second question I would like to ask has to do with the variable part of loans. As I understand the principle now, when the interest rate goes up every three months, when the interest rate is set by the Department of Finance, the Farm Credit Corporation under this new amendment will be duty bound to sit down and decide what the interest rate is going to be for loans above $20,000 under part II and above $27,500 under part III. Will the new contracts needed for the next three months be at this new interest rate?

If the answer to that question is yes, then my major question is this. What happens when interest rates turn down? Let us say the cost of money, plus the cost of running the corporation, totals 4½ per cent—and this has happened—then will the additional amounts be at 4½ per cent, and the original amounts of $20,000 and $27,500 still be at 5 per cent? In other words will the interest rates follow steadily the fluctuating cost of money to the Farm Credit Corporation from the Department of Finance?

My third question, which is supplementary to the second one, is this. If a man has signed up today for a loan, part of which is going to be at 6⅜ per cent, and next year the rate is down to 6 per cent, and down to 5 per cent two years from now, will he be given any opportunity to get a change in his contract or will he be stuck for the whole life of the contract at 6⅜ per cent, even if the cost rate goes down?

Mr. Hays: With regard to the first part of the question, there is no intention on the part of the government now, or in the future that I know of, to change the 5 per cent rate. This has been in existence for some time—that is on the smaller loans. The other is just the same as any other mortgage. If we buy money at 5⅜ per cent and contract it out for an additional amount over $27,500, this rate would apply through the terms of the loan. There is no provision today for an escalation clause so far as the 5 per cent interest rate is concerned.

If interest rates were to go to 4 per cent—and they have been down to 4½ per cent—the 5 per cent rate would not change, and I suppose this is the same as if you buy a house. This is the basis under which you operate. The recipient of the loan would know throughout the life of the loan that this is the amount he has contracted for; and if it were on today's basis, including both principal payments and interests, the rate would be 7.08 per cent. If it was at the 5 per cent, the smaller part on today's basis would be 6.61 per cent.

Mr. Hamilton: This bringing in of principal payments is rather confusing, and the minister admitted that a little while ago. He says that for now the government is not going to change the 5 per cent rate, but I would like a little stronger assurance from the government than that, stating that the ordinary farmer will have guaranteed to him, for perpetuity actually, a stabilized interest rate. We have accepted the figure of 5 per cent, which I think has covered the history of borrowing for the last 30 or 40 years.

As a matter of fact, the government has lots of precedents in this regard. If you want to borrow money from the people, as is done under government annuities, you just go to the government office and they will tell you that for the period of your life annuity the maximum amount you can get is 4 per cent. They know this is the maximum they can guarantee, and the Canada pension plan talk is all based on 4 per cent. I point out to you that when you are asking people to lend their money to the government all you will give them on long term contract is 4 per cent. However, we, when we were the government, accepted this principle in reverse, and said that when lending money to farmers we would accept this long term average of 4 per cent, to which we added 1 per cent for costs. The minister has departed from this principle for loans above the previous limits. All I am asking for now is a little stronger assurance from the minister, representing the government, that the government has no intention now or in the foreseeable future—and when I say the foreseeable future, I mean as far ahead as 15, 20, 25 or 30 years—of changing this situation. A long term contract has been made with farmers of Canada that the interest rate will be stabilized, based on 4 per cent plus the cost of running the corporation, and if we could get this strong assurance from the minister—I know that some members of the government will fight with him, and the finance people will fight for the principle for which they have always fought—I think we would be happy to go along with an interest rate which is a little higher on the higher rate of borrowing.

Mr. Hays: Mr. Chairman, first of all I want to thank the hon. member for the confidence he has in the government, that it will be here for another 20 years. In this regard I can assure him that we will take this question into close consideration. We have indicated in a very tangible way that we think this 5 per cent rate should be held this year, and this amendment will take us into the future as far as 1966. Certainly it is my feeling that this should be done. I share the opinion and the views of the hon. member for Qu'Appelle; I also believe that high interest rates are often the cause of many problems in so far as agriculture is concerned, and personally and as the Minister of Agriculture I would oppose it very vigorously if this rate were sought to be changed.

Mr. Hamilton: Mr. Chairman, that last sentence is all I wanted, because if the Minister of Agriculture will fight for this I know the people in the back benches will support him.

Mr. Herridge: Mr. Chairman, would the hon. member for Qu'Appelle permit a question, as he has completed his remarks? The hon. member mentioned what a fight the backbenchers in his party put up to see that there was a flat 5 per cent interest rate on farm credit loans; and that is quite correct. But would he not admit at the same time that the seven N.D.P. members in the house at that time put up an equally vigorous fight for the same principle?

An hon. Member: In caucus?

Mr. Herridge: In the house.

Mr. Hamilton: This is very true, Mr. Chairman, and this is why I cannot understand why the N.D.P. have sat so quietly during this debate and let these interest rates go up. As I read *Hansard,* there was not one member of that party who raised any question with regard to these interest rates.

Mr. Winch: You were not here when the other members spoke.

Mr. Hamilton: No, but I did read *Hansard.*

Mr. Herridge: Mr. Chairman, our concern was very similar to that of the hon. member for Qu'Appelle, but not wishing to take the time of the house we did not think it necessary to repeat his arguments. We endorse them.

Mr. Cardiff: Mr. Chairman, I should like to ask the Minister of Agriculture how many generations these lawyers were removed from the land before they received their education, because I think the bill could have been drafted in much more simple language to the advantage of this committee and all concerned. The bill may be understandable to a great many people, but why was it not drafted in simple language so that the ordinary farmer would know exactly what he was signing before he signed an application for a loan? There are many farmers who will be so anxious to obtain money that they will sign this document before they realize what they are doing, and because they may not understand the language in which it is drafted. The minister has explained it this afternoon. Why was it not explained in the bill before it was given to us?

Mr. Hays: I can assure the hon. member that before we send out the changes we will make them very plain so that everything will be thoroughly understood. There has been no change in the Department of Justice in the last two years, so the same people drafted this bill as drafted the previous one.

Mr. Cardiff: In other words, you hire a group of lawyers to draft the bill and then put it out in language people can understand. Why don't you do that in the first place?

Mr. Simpson: Mr. Chairman, I have a question for the minister in relation to clause 4. However, at the outset I should like to inform him that I firmly believe it would be very desirable and much more acceptable if the government would arrive at a stabilized rate of interest with regard to loans in excess of $20,000 under part II and $27,500 under part III, instead of using the sliding scale of interest which they have put into these amendments. Last night the minister said, as I understood him, that in relation to loans in excess of $20,000 under part II and $27,500 under part III there would be an added amount to cover what it cost the government to borrow that money, plus the cost of operation of the corporation, plus an amount of, I believe he said no more than one quarter of 1 per cent in relation to bad debts. I am wondering what assurance the minister can give the house that this will not exceed one quarter of 1 per cent. I see nothing in the amendments as listed in Bill No. C-100 in regard to this and I am very interested in knowing just how the minister can assure the house that this will not exceed one quarter of 1 per cent.

Speaking on the desirability of maintaining a stabilized interest rate instead of having a sliding scale, I am thinking of the case which occurs quite frequently when a smaller farmer applies for a loan of possibly between $20,000 and $25,000; then when the consultants go out to look over the farm and make an assessment they sometimes, and in fact quite often, find that to make it an economic unit it is desirable for the applicant to request a larger loan. In such a case the man would be told, if he applied for $25,000 to make his unit economic, that he should ask for $30,000. However, on the first $20,000 he is going to be paying 5 per cent, but in regard to the larger amount recommended by the corporation the interest rate will go up quite excessively. I am thinking that we might find a farmer may not wish to pay these interest rates, and he will be put in quite a predicament as to

whether to accept the recommendation of the consultant and apply for a loan of $30,000 or whether to leave it as originally applied for, in which case he would not be making it an economic unit in the eyes of the corporation. I think this is an area in which we could run into difficulty, and we should have a stabilized interest rate of possibly 5 per cent. I would like the minister to tell us what assurance he can give the committee that one quarter of 1 per cent will be the ultimate limit applied to the interest rate to cover bad debts.

Mr. Hays: Our experience in the past has been that it is less than one tenth of 1 per cent, and the loss has generally always occurred on the smaller loans. The hon. member suggests that quite often when a farmer is making application for a loan in order to make his unit economic it is suggested that he should ask for more money. In this regard I might say that all our branch managers were called in from all across Canada and were here for quite some time. We suggested to them that they should adopt a little more vigorous attitude in so far as loans were concerned, not to hold people down but to see that they did have an ample amount which would make their farms an economic unit. Sometimes the difference between 10 and 12 cows, in a cow and calf proposition, is the difference between $1,000 and $1,200 revenue; and the difference of another 100 acres would facilitate their paying back the loan much more easily, if they had enough money to provide for such an operation in the first instance. I have said all during the debate that this would not be more than one quarter of 1 per cent. It will more likely be below that—probably one eighth or something like that. This will be a reserve set up on that portion of the loan in excess of the $20,000 or the $27,500.

With regard to the stabilization of the interest rate, it is liable to slide up and down; but the farmer who borrows money will have a steady rate throughout the life of the loan. There will be no escalation clause in it. He knows that on the first $20,000 he will pay 5 per cent. If he were to borrow today he will pay 5⅜ per cent plus the cost of the operation of the corporation, which is becoming smaller as time goes on due to the magnitude of the loans being made. The cost is about .87 of 1 per cent plus the one eighth of 1 per cent.

Mr. Simpson: I hope the minister's predictions are correct and that the rate will not increas over that one quarter of 1 per cent.

[Mr. Simpson.]

I should also like to make it quite clear that I was not criticizing the corporation in any way for suggesting in many cases a higher loan to make a farm a more economic unit. I think that is a very good feature of their assessments. I myself have had several cases where this has been done and it has worked out quite satisfactorily. I have also had cases where the loan was not approved to the amount the applicant wished. In these cases in the opinion of the farmer, of course, he felt he needed the amount to make the unit economic, whereas in many cases the corporation felt that his holdings did not justify a loan of that size. Here again we have a clash of opinions as to whether the amount of a loan would make the farm an economic unit. I did want to make it quite clear that I am not criticizing this aspect of the corporation, because I know they are very anxious to assess these farms to the best of their ability and to make a loan of the nature which will make a farm an economic unit.

Mr. Smallwood: Mr. Speaker, I am in agreement with the amendment, but I am concerned at the increased rate of interest which will be charged on the extra money. As the former minister of agriculture said, the members of our party put up a terrific fight both in front and behind the curtain with the Department of Finance to keep the interest rate at 5 per cent. Now it is going to be increased.

I think the Minister of Agriculture will agree that farming is a risky business. A farmer may have a crop failure and have to carry his payments over the year, and a high rate of interest could be very harmful. I am sure he would like a steady rate of 5 per cent right across the board, and I wonder whether the minister would be supported by his backbenchers and those interested in farming if they went to the Department of Finance and asked them to keep the interest rate down to 5 per cent. We have not heard from these backbenchers today, but we on this side should like to keep the rate of interest at 5 per cent. If the minister is interested in doing this, would he consider referring the matter back to the agriculture committee? I am sure he would get enough support from our members on the committee, and if the minister also felt that it should be 5 per cent on all of the loans he could bring the matter back to the house again.

Mr. Hays: We feel that the present amendments which charges an economic rate on the increased loan is the proper approach at

this time. I can assure the hon. member that I feel that I do know farming, because I started out with nothing. I think all farmers will agree that this is not too much to ask, when you stop and think that last year, outside of the amount of money put up by the federal government, the farmers borrowed $235 million at interest rates in excess of 10 per cent. Therefore this act will help solve some of their problems. When you stop and think about it, an extra $5,000 on part II loans up to $25,000 costs only $75 a year amortized over 30 years.

Mr. Nasserden: Mr. Chairman, the minister seems to be very complacent today that the opening up of the interest rate in the second part of this proposal places the stabilized rate in the first part of this proposal in no danger. I cannot share the view he has expressed today. If he and the backbenchers across the way have been unable to hold the fort in this regard today, once this is in operation the demand to raise the rate on the first $20,000 will become much louder than it is at the present time, and it will only be a matter of time before the minister comes back to the house and says it has worked so well for those who have been paying the economic rate that all farmers should be paying the economic rate, and there will be very little criticism of that from them.

I think this legislation will be much better if there were a stabilized rate so that everyone would be treated alike, not only six months from now but a year or two years from now—or for whatever time a loan were taken out. I do not think it is too late at this time for the minister and the government to decide to do this. After all, the amount of money which might be involved for a year or two under the circumstances prevailing today is not so great when you compare it with the over-all needs of the agricultural industry and the entire budget of the nation. For that reason I ask not only the Minister of Agriculture but all members of the cabinet —and I am sorry to see so few of them here today—to take this whole problem into consideration.

Mr. Moreau: How many backbenchers have you over there?

Mr. Nasserden: If you want to make a speech you can make one.

Mr. Moreau: Why don't you make one?

Mr. Nasserden: I will if you will allow me.

Mr. McIlraith: I do not like to hear the hon. member misrepresent the facts as to the attendance in the house at the moment.

Mr. Nasserden: I said there were not too many ministers of the crown present at the moment.

Mr. McIlraith: There are six present at the moment; and my hon. friend will see that the vast majority of the official opposition is absent from the house, and that there are only two frontbenchers out of the whole front row of the opposition present at this time.

The Deputy Chairman: Order. I think it might be as well if we returned to the substance of clause 4.

Mr. Nasserden: I am very much aware that our boys have been here most of the day and yesterday to deal with this question, and our farming members are also here today, as well. I think the minister will agree with that. If I understood correctly, the minister was not too happy because we questioned some of the clauses in the legislation he is bringing forward. I hope he will get that smile back on his face and things will go much better.

Last night when this was discussed I was seriously disturbed by something the minister had to say. He referred to the fact that the money was running out and he was going to hold that as a club over the heads of the opposition with regard to this measure. This is not the first time members on the front benches across the way have tried to utilize a weapon of that kind with regard to legislation which they want to bulldoze through the house. In this case we agree with some of the proposals put forward but on this particular item regarding the changing of the statutory interest rate on these loans I should like to see the government as a whole give the matter more consideration.

I think the suggestion put forward by the hon. member for Battle River-Camrose that this whole measure be referred to the committee on agriculture is a good one. We on this side assure the minister that we will help him in his fight with members of the treasury board with regard to this matter. I see the minister smiling, or laughing. This is no laughing matter. We think this measure should be referred to the agricultural committee for further consideration, and I believe we could do a great deal to help the minister in this regard. One thing is certain. Farmers across Canada would know what the interest

rate would be from time to time, and all farmers would know that they would be paying the same interest rate as their neighbours who might take out a loan at a different period in the life of this act. I hope the minister will give us an answer.

Mr. Korchinski: I wonder if the minister could indicate whether the interest rate will be known at least for a three month period or a four month period, or every half year. What is the situation to be? Will the rates fluctuate from day to day?

Mr. Hays: We would possibly set a rate of interest for the year. It would not be less than a year; it might even be longer.

Mr. Korchinski: I would suggest that if the government has to get this money at varying rates it could take an average and set the rate out for the coming year so farmers would know what they would be expected to pay. I think this is only fair because confusion would result if the rate were to fluctuate from month to month.

Mr. Hays: I will be glad to follow the hon. member's suggestion. We will do exactly that.

Mr. Simpson: In relation to interest rates, I wonder if the minister can assure the committee that the interest rate on any loan in excess of $20,000 or $27,500 would be determined on the date the application was received by the corporation.

Mr. Hays: I rather think we would have to pay regard to the interest rate on the date the application was approved, not on the date it was made. I believe this is laid down in the act and the regulations, and there has been no change as far as this requirement is concerned.

Mr. Korchinski: In introducing this new aspect of the legislation the minister must have had some information either from within his department or from other sources respecting the need for loans of this type. He must have believed there were farmers who wished to borrow more than $20,000 or $27,500. I wonder if he has any information as to the number of loans the corporation anticipates making in this category in the first year. Farm credit advisers across the country must have suggested a possible figure. As the minister said, they met here in Ottawa and it was on the basis of suggestions made by them and by others that these amendments were brought forward. Could the minister indicate, for example, how many loans of this order were requested in the course of last year.

I am asking this question for the following reason: I am wondering how much money we can possibly expect to save by increasing interest rates above 5 per cent. If only a few loans are to be taken out, it seems to me we should drop this whole clause entirely. I feel that by adopting it we would be opening the door to a revision of the act in a year or two upon the recommendation of the minister's supporters, or some financial firms, to the effect that this is not the right way in which to conduct business, with the result that the rate would be increased from 5 per cent to whatever rate might be necessary to recoup expenses, write off debts and so on. The minister said he anticipates that a certain amount of money will not be recovered under the 5 per cent provision. If this is the case, I wonder how much he will save by increasing the interest rate above 5 per cent; I am wondering whether it is worth the trouble.

Mr. Hays: About 13 per cent of the loans last year were for the maximum amount. We anticipate that these people will be back, because to most of this 13 per cent the amount available was not sufficient. Of course, the percentage will grow as time goes on, as more people become familiar with these terms of the legislation. I think a great many people in Canada are still not familiar with this act. I believe there is still a great educational program to be carried out. The need for these additional amounts is substantial and the number of applications will surprise hon. members. I think, also, they will be surprised to see which provinces they come from.

Mr. Korchinski: Since the minister has indicated that perhaps 13 per cent took the maximum loans last year, it is conceivable that 13 per cent more will take them out in the coming year. If we have provided loans to the extent of $100 million, we can expect another $10 million or $12 million in the following year. Therefore what we are really concerned about here is not an interest rate of 5 per cent on that $12 million, but on just a fraction of it. So it is obvious that the government will really save very little by introducing this legislation. I repeat that the amount of saving to the government is going to be infinitesimal, but to the individual farmer the amount is going to be considerable as he pays off his loan over a period of years.

If we must concern ourselves about trying to remedy the financial situation of the gov-

ernment, then let the minister say so. Are we going to provide legislation that will be beneficial to the farmer, even at the expense of a little money from the government? This is the important feature. As I have already pointed out, I am concerned that we are opening the door for the future in such a way that the interest rate will be increased still more.

We still do not know what the rate is going to be. The minister has not indicated whether it is going to be 6 or 7 per cent. But if the minister wants to raise the rate in the future and wishes to amend the legislation again for that purpose, he will be able to say, on the basis of the precedent we are setting here, that the corporation is again losing money and the rate should be raised.

Is the minister prepared to accept the responsibility of saying that money must be saved for the government, or is he introducing this legislation for the benefit of the farmers? Since the minister cannot give us an indication of the rate we must assume that the amount of money the government is going to save will be very small and that in effect the government is not concerned about the welfare of the borrowers but is perhaps trying to assist the Minister of Finance. What position is the government taking? Whom are they helping?

Mr. Hays: Our whole purpose, of course, is to help the farmers. Under this amendment we are doubling the size of loans. I can see the Farm Credit Corporation lending a total of $1 billion in the future. I do not know how high it is going to go but at that time I suppose it will be a revolving sort of thing. Many of these loans will never be completely repaid by the original borrower. There is provision in the bill that when a farmer passes on or retires his son can pick up the loan and carry on in much the same way as a man who owns a house and dies before the mortgage is completely paid off. He may own the house all his life and never get it completely paid off.

This is a long range policy. It is tied in with three other pieces of legislation that we hope to have before the house in the next 30 days. It is difficult to explain some of these things until we have all parts of the picture together. This particular piece of legislation will do twice as much, so far as providing capital for farmers is concerned. At the time the Farm Credit Corporation was established I think it was possibly adequate then. But times have changed and now we need to take the next step, which we have done. We are certainly not discriminating against small farmers because we have not changed the situation so far as they are concerned. But in the case of the farmer who wishes to borrow above a certain amount we are simply trying to see that he does not have to pay an excessive amount of interest, that he does not have to go outside of the Farm Credit Corporation and obtain money at 12 or 15 per cent. I think this provision takes care of this situation.

Mr. Southam: Mr. Chairman, I spoke on second reading of the bill on June 9 and the minister will recall that at that time I registered a strong protest against the interest rate being increased at all. I should like to do so once again on this clause. In listening to the debate and interpreting the mood of the house I feel that hon. members are not too happy about this provision. The minister just said that this amendment is being made in the interests of the farmers. I do not think the farmers are going to feel too happy about increasing the interest rate from 5 to 6½ or 7 per cent, or whatever the rate is going to be, on the additional amount of loan.

In answer to the hon. member for Mackenzie I believe the minister said that only a small percentage, possibly 13 per cent, of the total number of loans are going to be in this category. If we use a figure of approximately 12 or 13 per cent of the total applications, it is obvious we are only dealing with a small section of the total farming population. The extra cost of administration and setting up the tables, to which the minister referred in trying to explain this matter, is going to involve a certain amount of money. To me it appears that whatever effect the minister is trying to achieve from an increase in the interest rates on loans over $20,000 and $27,500 is going to be lost. It is going to mean a bigger headache for the advisers in the field in trying to explain the legislation to the farmers.

I think the hon. member for Battle River-Camrose had a good idea when he suggested that this matter should be referred to the committee on agriculture for consideration at one meeting at least. Possibily that would give government members an opportunity to support this provision. The hon. member for Kootenay West said that he was in favour of the low 5 per cent interest rate we introduced when the legislation was brought in in 1959. I have not heard too many members of his

party support his stand, although he did get up in his place a few moments ago and put forward that view.

This whole thing has turned out to be a very contentious matter and I should like the minister to explain to the committee again just what the specific point is in increasing the rate from the present 5 per cent level to which the farmers are accustomed to the new rate on the second part of the loan. The hon. member for Qu'Appelle referred this morning to the fight our party had put up in objection to the views of members of treasury board at that time. I expect the Minister of Agriculture has had the same problem on his hands but apparently he has not had the support of enough of his backbenchers. When he says he is working in the interest of the farmers, all I can say is that I do not think farmers across the country are going to be too happy if this interest rate provision is adopted.

Mr. Moore: On the same point brought up by the hon. member for Churchill, I should like to ask the minister to tell us whether a farmer will know at the time he applies for a loan what the interest rate he will be expected to pay on that loan.

Mr. Hays: He will know. We will set the interest rate on the second part of the loan. It will be set for at least a year and possibly longer, so he will know. The rate on present loans is not going to be changed in any way and the additional loan rate will be set. It will be something over 5 per cent.

Mr. Moore: The farmer will know the exact amount of interest at the time of application?

Mr. Hays: That is right.

Mr. Pascoe: A few minutes ago the minister referred to a point I dealt with on second reading. He said that there are three or four other measures in the farm program coming forward in the near future. As I said then, I think those measures should have been made known to parliament before we were asked to deal with the farm credit legislation so that we could see where the farmers stood under this program. I think this is an important point, having in mind particularly the minister's promises about reducing the cost of farm machinery. I think that would influence operating costs.

One point I want to bring out right now concerns a particular program that I feel we should be sure is going to be in force again this year, and that is the cash advance on farm stored grain.

The Chairman: Order; I am afraid I cannot permit a reference to other legislation. I should like to suggest to the hon. member that the committee will have to deal strictly with the clause before it, that is clause 4 of this bill. I do not believe the hon. member should refer to other legislation which may be introduced later.

Mr. Pascoe: The reason I mention it, Mr. Chairman, is that it relates to the ability of the farmer to pay these interest charges. For example, this year the delivery quotas were quite slow in coming in, and a farmer may have to make his payment at a time when he could not deliver his wheat. It is for this reason I think we should be told he is going to be able to get a cash advance, interest free, to make a payment on his loan. This is the point I wanted to bring out.

I am sorry the minister has not got the annual report for this year. He says it is in the hands of the queen's printer. The minister has told us the interest charges are going to be based on the cost of money, plus the operating cost, plus the cost of building up a reserve. The last report says:

> Costs of salaries, office accommodation, and other operating expenses increased from $2,466,717 in 1961-62 to $3,186,399 in 1962-63.

This represents an increase of almost three quarters of a million dollars. Can the minister inform us what the operating costs are going to be for the past year? This report also states, with reference to building up a reserve, that the reserve for losses had been built up to an amount of $3,748,862 in 1962. Can the minister tell us what the reserve is at this time?

Mr. Hays: The report is still at the queen's printer. The cost of operation last year was .871 per cent and we lent $108 million. The present reserve is $1,665,340.

Mr. Pascoe: It is down from what it was.

Mr. Hays: But the cost of operating the Farm Credit Corporation is also down. It is the lowest this year that it has been since the corporation was formed, .87 per cent.

Mr. Forbes: Before we leave this clause, I should like to ask one question of the minister. I believe this is the only clause under which I can ask it. At the present time the Farm Credit Corporation will lend up to 75 per cent of the appraised value of the farm. People who are otherwise qualified

have difficulty in raising the other 25 per cent. I would remind the minister that if you are an urban dweller and you want to purchase a house you can obtain one for 10 per cent down, and in some cases less than that. I wonder if the minister would give consideration to increasing the amount of the loan to 80 per cent or 85 per cent of the appraised value of the farm?

Mr. Hays: We have this under consideration, and it is for this reason we have established this interdepartmental committee. We are taking a look at these problems and I realize this is a problem.

Mr. Nasserden: I have one question I should like to ask. The minister mentioned one eighth per cent or one quarter per cent for a reserve. Can he give a definite figure that will be used for this purpose if the bill passes?

Mr. Hays: The reserve we are building up is only for losses and the losses have been less than one tenth of 1 per cent. I have many times pointed out that it will not be more than one quarter of 1 per cent, and I suggest it would be less than that. Perhaps one eighth of 1 per cent; it is difficult to estimate a specific figure.

Mr. Nasserden: Am I to take it that at the beginning there will not be any charge in that regard until some losses occur? What figures will be put in?

Mr. Hays: Well, when the act was originally passed, provision was made on the same basis. The amount that was put into reserve was one eighth of 1 per cent. This is the figure the hon. gentleman mentioned as being something like $3 million and which is now down to something like $1,665,000. We are just speaking of those amounts in excess of $20,000 and $27,500. There is going to be no change whatever in the present amount.

Clause agreed to.

On clause 5—*Interest of corporaton in secured lands.*

Mr. Herridge: I did not say much on clause 4 because when Progressive Conservative members take a socialist approach to a clause I am quite willing to yield the floor and listen to them. The explanation of clause 5 reads as follows:

> The new subsection (2) would make the interest in land acquired by the corporation by way of security or the realization of security taxable by a taxing authority notwithstanding that the corporation only holds such interest as an agent of Her Majesty.

While I am somewhat illiterate, I do grasp, I think, the meaning of the clause. My question is this: Why is this new clause required when it was not previously in this act?

Mr. Hays: As I understand it, this part of the act is being amended so that the municipalities will receive protection for their share of the taxes which might be delinquent. This is the interpretation of this part.

Mr. Herridge: Was this clause inserted, then, as a result of discovering the municipalities did not have this protection previously? There were some instances where their equity was found to be unprotected.

Mr. Hays: Yes, this change was suggested by the provinces.

Clause agreed to.

On clause 6—*Maximum to one person.*

Mr. Korchinski: I was just wondering why the loans made under clause 6 cannot exceed $40,000? Is there any provision to make it possible for loans under part III to be $55,000?

Mr. Hays: I think the provisions of clause 7 go up to $55,000.

Clause agreed to.

On clause 7.

Mr. Hamilton: There is one question I should like to ask here in connection with the second part of the amendment. Is the crop payment plan still in effect whereby the applicant or the present holder of the loan decides to pay on the basis of the crop payment plan?

Mr. Hays: This is still in effect.

Mr. Korchinski: The reason I asked the earlier question is that it seems to me under clause 6 someone could back up two loans, if necessary, while under clause 7 this cannot be done. There is not a similar provision here.

Mr. Hays: No, you cannot because under part III the loans are supervised loans for young men.

Mr. Korchinski: Would it not be possible to back up somebody under part II and at the same time qualify under part III?

Mr. Hays: We will take that into consideration, but we have not had such instances at this time.

Clause agreed to.

Title agreed to.

Bill reported and read the third time and passed.

SUPPLY

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

INTERIM SUPPLY

Mr. McIlraith moved:

Resolved, that a sum not exceeding $469,308,421.26, being the aggregate of—

(a) One twelfth of the total of all of the items set forth in the main estimates for the fiscal year ending 31st March, 1965, laid before the House of Commons at the present session of parliament, $329,299,209.25;

(b) an additional one twelfth of the amount of agriculture item 5, privy council item 25 (schedule A) of the said main estimates, $2,259,116.67;

(c) four twelfths of the total of all of the items in the supplementary estimates (A), laid before the House of Commons at the present session of parliament, $134,897,245.34;

(d) an additional seven twelfths of the amount of loans, investments and advances item L37a (schedule B) of the supplementary estimates (A), $2,625,000.00;

(e) an additional two twelfths of the amount of loans, investments and advances item L12a (schedule C) of the supplementary estimates (a) $227,850.00,

be granted to Her Majesty on account of the fiscal year ending 31st March, 1965.

The Chairman: Shall the resolution carry?

Mr. Nowlan: Before the resolution carries I presume the minister is going to refer to the items and give us the usual undertaking given at this time.

Mr. McIlraith: Yes, Mr. Chairman. The resolution provides for supply up to July 31, 1964, so that if there is the much talked about long week end by way of holiday it will be necessary to come back for further interim supply if the estimates are not then passed.

Mr. Nowlan: I don't understand the minister's reference to "if". I am sure that is a mistake.

Mr. McIlraith: I appreciate that interjection very much. This interim supply bill is comprised of one twelfth of the total of the items set forth in the main estimates. It is comprised of four twelfths of the total of all items set forth in supplementary estimates A. That brings them up to the same point as the main estimates have been provided for under interim supply bills.

It provides for an additional one twelfth of the amount of the agricultural item No. 5, that is, the item having to do with research and general operations of the experimental farm. The reason for that is because there is more of the work done in the summer.

It provides an additional one twelfth of item No. 25 of the privy council, which covers centennial administration expenses. That is to pay for part of the costs of the memorial building in Charlottetown. There is an additional seven twelfths of item L37A, which is the uranium contract that expires in June of this year, and the whole payment will then be due. The effect of this will be to provide for the release of eleven twelfths of the whole item, and reserve one twelfth so that there can be full opportunity for debate when the estimates are before the house.

There is provision for an additional two twelfths of item L12A, which is loans to the government of India to finance the purchase of aircraft and associated spare parts in Canada. That is an old program and this provides for completion. It will be seen that in no instance is any item released by this bill, and the form of the bill I might add, is in the usual form for interim supply bills. I want to give the formal undertaking that the passing of this bill will not prejudice the rights and privileges of hon. members to discuss any item of the estimates when it comes up for discussion in committee of supply. I am undertaking that such rights and privileges will be fully protected and not curtailed by the passage of the bill.

Mr. Nugent: There is enough time before five o'clock to mention one subject which has been raised recently and has been of considerable importance during the last week or so. That is the revelation of the number of people who have been held in jail for what I consider to be an unconscionable length of time, in connection with immigration cases.

I do not want to be unfair to the minister or to the department of immigration staff. I recognize that there is a strong duty on the immigration staff to check to make sure that Canada's laws for immigration are upheld and we do want civil servants who will try to uphold the laws. But with that realization must come the realization to the minister that, unless closely watched, the zealousness of one civil servant can result in considerable harm to individuals, and that in this democratic nation the prolonged incarceration without rightful cause of anyone in prison is one of the most harmful things that can occur.

I am sure the fact that there are many cases must cause the Minister of Citizenship and Immigration much soul searching, and in

fact should cause him to do much departmental searching to find out how this could happen. I am sure they must cause the Minister of Justice more than a little concern.

If there is one thing that it is essential we in this country present to the rest of the world, and perhaps to reassure ourselves of, it is that in Canada the freedom of the individual is sacred. Many countries have seen fit to subjugate the citizen's rights to the welfare of the state to a greater degree than others. Here, where perhaps the individual rights to freedom have been subjugated to departmental efficiency, or where freedom has been taken away because of some departmental inefficiency—or where there is a suspicion of this in even one case—I am sure members of parliament will be most concerned and alert to make sure this is not the sort of thing that can happen frequently, that can happen often, and with or without a lot of soul searching and thorough investigation by the department.

In a country where our system of law is based on the premise that it is better that ten guilty men should go free than that one innocent man should be punished, it seems to me almost incredible that we can have so many people held so long in jail, with so little explanation. These are my introductory remarks.

May I call it five o'clock.

Mr. McIlraith: I wonder if the committee would be disposed not to see the clock for a few minutes? Is there a disposition on the part of the opposition groups to have the interim supply bill dealt with either by not seeing the clock for a few minutes or by waiving the private members' hour?

Mr. Winkler: Mr. Chairman—

The Chairman: May I suggest consideration be given to that when the Speaker is in the chair.

Progress reported.

BUSINESS OF THE HOUSE

Mr. Deputy Speaker: When shall the committee have leave to sit again, later this day or the next sitting of the house as the case may be?

Mr. McIlraith: Mr. Speaker, I wonder if the house would consider continuing with the interim supply resolution and bill with a view to concluding them tonight?

Mr. Orlikow: Mr. Speaker, it is the intention of a number of members in this group to have considerable discussion on the matter raised by the hon. member for Edmonton-Strathcona and we certainly expect the minister to answer in considerable detail, because we are far from satisfied, in fact we are completely dissatisfied with the answers we have had up to now. Therefore I am certain we would not finish it even by six o'clock today, Mr. Speaker.

Mr. McIlraith: Mr. Speaker, perhaps my point was a little misunderstood. I was not asking hon. members to waive their right to discuss a rather important question that had been raised; I intended to ask whether they would consider letting this interim supply bill go through and discuss this matter—which will merit, I gather, a rather lengthy and full discussion—on another occasion, either on the main estimates or at some other time that could be arranged.

Mr. Orlikow: Mr. Speaker, how can we answer that question unless the minister can give us some idea as to when "some other time" will be. If "some other time" is going to be next week or two weeks from now, perhaps we should think about it; but if "some other time" is going to be next September, of course we could not agree to that.

Mr. McIlraith: I would think we could arrange to call the estimates of the Department of Citizenship and Immigration first, Mr. Speaker. I wanted to check to make sure they were in, but this has been verified. We could discuss this matter on the estimates of the Department of Citizenship and Immigration, if they were called first.

Mr. Churchill: When?

Mr. McIlraith: I do not know how to make it more firm than that, because with the flag debate starting next week surely it is not suggested that I should fix a day now. We have tried to follow a pattern of getting the estimates forward for discussion—and it is becoming increasingly necessary that we do so—on suitable occasions. I would certainly go as far as indicating that the first estimates called would be those of the Department of Citizenship and Immigration, if that is agreeable to all hon. members.

Mr. Orlikow: Mr. Speaker, the Prime Minister has announced that we will be starting the flag debate on Monday and then we have the constitutional amendment to consider. I have no intention of speaking in the flag debate, but I have a feeling that a large number of members will want to speak in it;

therefore this question may not come up for weeks. In any case, while it is the only matter on which I would like to speak, I am sure there are other matters on which other members would like to speak. It does seem to me that if the government wanted this kind of arrangement it should have been discussed among those people who usually discuss these things and agreement reached—but not at five o'clock on Friday afternoon. I am not disposed to agree, Mr. Speaker.

Mr. McIlraith: I appreciate the hon. member's difficulty, Mr. Speaker, but it is not usual on interim supply to enter into a discussion of the general administration of the department, even though the matter may be considered important. I wonder if it would be agreeable to hon. members to continue the discussion on interim supply now and see whether that part the hon. member urgently wants to raise is dealt with today. Then perhaps the remainder of the points hon. members wish to raise could be dealt with when the main estimates are called.

Mr. Leboe: Mr. Speaker, I want to deal with another matter on interim supply, which may or may not take more than five minutes. I want to deal with the question of the order of business of the house, which may take me about five minutes; but there may be other hon. members who are interested in the same subject, and this I do not know.

PRIVILEGE

MR. TREMBLAY—ARTICLE APPEARING IN TORONTO NEWSPAPERS

Hon. René Tremblay (Minister of Citizenship and Immigration): Mr. Speaker, I rise on a serious question of privilege which affects me as minister of the crown responsible for the Department of Citizenship and Immigration and which also affects members of this house and the public in general. It concerns a statement which appears in today's issue of a Toronto newspaper which reads as follows:

> I asked if the minister had read the *Telegram* report that official transcripts supplied to a defence lawyer had been tampered with, and two questions and answers deleted.
>
> Yes, Mr. Tremblay had read that. He investigated it, he said, and was satisfied that this was not so.
>
> How, I asked, could he be sure his officials were supplying him with the full story.
>
> If documents were being edited and awkward bits being deleted, in material supplied to the Supreme Court of Ontario, why should those responsible hesitate to keep back information from the minister?
>
> [Mr. Orlikow.]
>
> For the first time, Mr. Tremblay's composure was ruffled. "What reason do you have for thinking that might happen?" he asked.
>
> "Only that there was evidence to indicate it had happened to one document at least, and perhaps two", I replied. And Mr. Tremblay said he would look into that again.

The author of this article visited me in my office last night, the 11th of June. In the course of discussion reference was made to a previous allegation made by his newspaper that documents had been altered. He was informed that this allegation had been carefully checked and had been disproved. The author then undertook to provide me this morning with evidence that various documents were being altered and that I was not receiving true information from my officials in Toronto. If any such charge could be substantiated it would be a serious matter to the department and to me. To this moment he has produced no such evidence and I am therefore entitled to assert that the charge is not only unsubstantiated but mischievous.

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

INDUSTRIAL RELATIONS

PROVISION OF MINIMUM RATE OF WAGES FOR EMPLOYEES

Mr. Stanley Knowles (Winnipeg North Centre) moved the second reading of Bill No. C-36, to provide for minimum wages for employees in federal works, undertakings and businesses.

He said: Mr. Speaker, the explanatory note to this bill sets out its purpose rather clearly. It reads as follows:

> The purpose of this bill is to establish a minimum rate of wages with respect to all employees in Canada who come under federal labour jurisdiction. This bill provides that such minimum rate of wages shall be $1.25 per hour. The bill also provides that its terms do not affect any employee whose rate of wages is higher than the minimum established by this legislation. However, any rate of wages less favourable to employees than $1.25 per hour is superseded by this bill.

About a quarter to five I went up to the cafeteria to have a cup of tea. As often happens when one goes there, one finds oneself sitting opposite a favourite newspaper reporter, and that was my experience today. After I had had my cup of tea I said I would have to leave and get down to the house to move my minimum wage bill. His reply was "Pardon me if I don't come down; I've

heard that one before". I asked him how old he was; I think he knew what was coming. He said: "I am only 35". Of course, the hon. member for Kootenay East (Mr. Byrne) knows what my reply was. I said: "Yes, this matter has been the subject of discussion in the political life of Canada for at least 10 years longer than you have been alive." And that is the situation, Mr. Speaker.

I realize my hon. friends opposite get tired of hearing about 1919, but it is still one of the facts of Canada's history that in that year the Liberals made certain promises to the people of Canada, and one of those promises was for a national labour code. Here we are 45 years later and we still have not got it. I wonder where this myth got started that the Liberals are a progressive outfit; that the Liberals are the people who will do things for Canada. When one looks at their record, one realizes that they are just about the slowest moving aggregation known to political science.

Miss LaMarsh: Give us another ten members.

Mr. Knowles: What an interjection to come from the Minister of National Health and Welfare (Miss LaMarsh). She did not have the experience of sitting in this house when the Liberals had an overwhelming majority. But I have had that experience, and they did not move any faster when they had an overwhelming majority than they do now when they are in a minority position. As a matter of fact, in this minority position they feel the prodding even more sharply than when in a majority position. I suggest that it is a subject for study by the political scientists in this country as to how the myth ever got started and how it has ever been maintained that the Liberals are a progressive people, moving in the direction of progressive social legislation. I said they were the slowest moving aggregation known to political science. In fact they do not move at all. After 45 years we are still waiting for most of what they promised in 1919.

I know what the answer will be today to my proposal for a national labour code. I can see it on the face of the parliamentary secretary to the Minister of Labour. He is going to say: "Does the hon. member for Winnipeg North Centre not know that this was mentioned in the speech from the throne; that the Prime Minister (Mr. Pearson) promised it in his speech on the address; and that the Minister of Labour (Mr. MacEachen) confirmed the promise?" Three or four times since, during the session, we have been told that a national labour code is going to be brought in by this beneficent Liberal government. Well, we have had these promises through the years. The Minister of National Health and Welfare made a delightful interjection a moment ago. I think of what happened after the election in connection with the Canada pension plan and of the promises we were assured would materialize on the statute books last session. Those promises were repeated this session, but so far we are still waiting. However, today we are discussing one of the elements of a national labour code, and I submit it is not good enough for the Liberals to keep on fooling the people of Canada that somehow, if the people will stick with them, they will get some of this legislation.

I was tempted at the start of this session, even though I filed all my bills which are part of a national labour code, to let them stand in view of the clear cut promise the government had made. But here we are on the 83rd day of the session and there is no suggestion of a national labour code on the order paper in any way, shape or form. There have been conferences, and no doubt the parliamentary secretary will tell me about the conferences which have been held between the Department of Labour and representatives of provincial departments of labour. He will tell me that there are all sorts of involvements and complications which have to be worked out, that these have to be studied, and that one of these days these problems will all be resolved and we will get the legislation. We will also be told that the government does not like to see this done in a piecemeal sort of way and that it is a mistake on my part to bring in a bill regarding vacations with pay on one occasion, a bill regarding statutory holidays with pay on another occasion, and a bill regarding minimum wages on still another. I am sorry I am taking away the hon. member's speech; I can see it vanishing from his face as well as from his notes. But, Mr. Speaker, we have listened to this time after time when the Liberals were on that side of the house.

It was, of course, different when they were sitting on this side of the house. When I moved this very bill now before the house in the last parliament, who was the member to stand up and speak strongly for it and say it was good legislation and should be supported? It was the then hon. member for

Inverness-Richmond, now the Minister of Labour. This is interesting. It is a nice political in-and-out playing of the game, but it is not good enough for the people of Canada. It is part of a gigantic hoax which the Liberal party has been perpetrating on the people across the years, and if it is going to be true to its promise of 45 years ago, true to the promise of the Minister of Labour which he made on November 8 of last year, which was made in the speech from the throne, and true to all the promises which have been made, in view of the fact that this measure is not yet on the order paper the least the government can do, the least step it can take to show that it has some concern for its promises, would be to let this bill have second reading today and refer it to the industrial relations committee so that that committee can start studying the various elements of a national labour code. I think that this should happen to all of the bills I have on the order paper relating to this subject. I submit that if the government does not do that, it means that its promises about the things which really matter are not taken as seriously as some other promises which it seems anxious to push along, despite the difficulties which might be created.

I do not need to go into the details of this bill. Everyone knows what a national minimum wage would involve. It would involve setting a figure and declaring that no employees coming under federal labour jurisdiction should be paid a rate of wages less than the amount in this bill, namely $1.25 an hour. This has been a figure advocated for a number of years by the Canadian Labour Congress. At the recent convention of the Canadian Labour Congress, which the Minister of Labour attended—he promised that a labour code would be brought in at this session. That was only a few weeks ago, however, and I do not expect action that fast from the slow moving Liberals—at that convention the congress had before it a proposal that the amount asked for be $1.50 an hour. That proposal was one of those left over at the end of the convention and it was referred by the convention to executive council of the Canadian Labour Congress. I believe this proposal will be endorsed by the council and that $1.50 will become official policy as far as the Canadian Labour Congress is concerned. I suggest that this is a more realistic figure for today, and if I do not get this bill through this year, the next time I bring it in the amount indicated will be $1.50 an hour.

[Mr. Knowles.]

This bill cannot, of course, apply to all the workers in Canada. It can only apply to those who come under federal labour jurisdiction. Nine tenths of our workers come under provincial jurisdiction. In some provinces minimum wage legislation is in effect—not very advanced, as yet—but some of us feel that if we put appropriate legislation on the federal statute books it would give a lead to the provincial governments and we could move along in giving this kind of protection to our people.

All parties in the house are committed to advanced labour legislation and to this particular item of labour legislation, namely a minimum wage rate, and I hope that because we all believe in it and because there is no other such proposal on the order paper at this time either in the name of the government or anyone else, the house will be fair and let this bill have second reading today, upon which I would move that it be referred to the standing committee on industrial relations.

Mr. J. A. Byrne (Parliamentary Secretary to Minister of Labour): At the risk of violating the rule against repetition I should like to make my speech. The hon. member for Winnipeg North Centre (Mr. Knowles) has referred to the promises made by the Liberal party over many years. I think he realizes, despite his misgivings, that practically all the good social welfare legislation which is on the statute books today both federal and provincial has been brought in by the Liberal administrations.

As he himself has said, nine tenths of those employed in Canada today come under the jurisdiction of the provincial authorities. We attach a great deal of importance to this proposed legislation. I have made some extensive notes and I am sure the house will be prepared to forgive me if I take some time to explain the difficulties which arise when legislation of general application is introduced in Canada, that is, legislation encompassing the whole of our territory from Newfoundland to Victoria, or Vancouver island. As the hon. member said earlier, there is no question about it; the Minister of Labour will be introducing legislation which will embody this minimum wage provision and other labour standards legislation.

Mr. Knowles: What year?

Mr. Byrne: My information is that it is before the officials of the Department of Justice for drafting and should appear before

what is normally termed the summer holiday.

I have on other occasions pointed out that these are extremely complex problems and must be considered in the light of their effect on private industry and regional differentials. The government has therefore been giving this matter serious and urgent consideration. This does require considerable time to expound and, certainly, the hour allotted to private members' legislation would be completely inadequate to deal with this question in detail.

The government's proposed legislation, as is I believe the case with the hon. member's proposal, anticipates covering all industries under federal jurisdiction including transportation and communication, banks, grain elevators and feed mills, crown corporations and so on. And, of course, it would be expected that it would have application to all those employed by the government itself. In total, about 11 per cent of the non-agricultural force would, therefore, be covered.

Industries within the federal jurisdiction are for the most part relatively high wage industries. It is estimated that some 50,000 workers out of a total of about 550,000 within federal jurisdiction currently receive wages of less than $1.25 per hour. This represents about 1 per cent of Canada's non-agricultural labour force.

While complete statistics are not available as to the number of workers within provincial jurisdiction who earn less than $1.25 an hour—

Mr. Knowles: Would the hon. member permit a question? Since he has just said that that figure is roughly 10 per cent of the federal labour force, does he think it is fair to say it is 1 per cent of the total? He should compare like with like.

Mr. Byrne: I do not know that I understand the hon. member's question correctly, but this 10 per cent does represent about 1 per cent of the total labour force.

Mr. Knowles: The hon. member created the impression that the passing of this legislation will affect only 1 per cent of the total work force in Canada. But it would affect 10 per cent of those covered by federal labour legislation, and could it not be presumed that this kind of legislation would, if enacted generally affect 10 per cent of the total working force of Canada?

Mr. Byrne: The hon. member can make his argument if he wishes. I am sorry he did not find time to do that when he was talking about former Liberal promises. Perhaps next time he will deal with this matter in more detail.

The field of provincial jurisdiction includes many high wage industries, but it also includes a number of low wage industries. Industries such as bakeries, food canning, confectionery, dairy products, leather footwear, clothing, textiles, saw and planing mills, retail trade and some of the service industries including laundries, hotels and restaurants employ substantial numbers of workers at rates below $1.25 per hour.

Mr. Winch: Aren't you ashamed of that?

Mr. Byrne: Yes, there is no doubt that $1.25 is a very low rate indeed, and it is difficult to understand how individuals and families are able to live on such a rate. At the same time, it is the provinces which are responsible for setting minimum wages in these areas. I think the hon. member will agree that even in Saskatchewan we have not yet arrived at $1.75 an hour as a minimum rate of general application.

It is estimated that the immediate cost to the employers directly affected would be approximately $17 million in one year. Of this immediate increase, about one third would likely be borne by the banks with whom, I am sure, not many members are likely to feel much sympathy. They could absorb part or all of the increased costs by transforming year-end bonuses to the payment of higher rates of wages. There may be, however, important secondary cost effects through the impact of this legislation on the wage structure of the economy. It is not possible to make an estimate of these secondary cost effects but it is thought by some people secondary effects could be significant. These are the people, of course, who are opposed to the suggestion that there be a minimum wage established. Surely the establishment of a minimum wage standard and, for that matter, better working conditions for Canadians, is a highly desirable objective. But the matter must be approached with a certain amount of caution; otherwise serious consequences and dislocations do result. I am sure the hon. member has noted that just the other day in Ontario it was necessary to revoke an order for $1 an hour, I believe, and reduce it to 85 cents so that messengers would continue in their jobs.

While many workers within the field of federal jurisdiction are members of labour unions, there are also many who are not covered by labour legislation or who do not

enjoy the protection of a union. Each of the provinces has extensive minimum standards legislation applying to labour within its own jurisdiction, but with some gaps. In addition, there is a significant gap not covered by minimum wage legislation within the field of federal jurisdiction. I am certainly hopeful and feel quite sure that this will be attended to within the next few months.

Some of the industries covered by the hon. member's proposal could probably absorb the consequent increased labour costs through increased efficiency or a marginal reduction in costs. But to the extent that the wage increases go to persons who would use their increased income to buy goods, there is no question that there would be a stimulus to the economy.

The view has been advanced by opponents of the minimum wage that the introduction of such a proposal would encourage wage increases and the extension of fringe benefits throughout the country. Such a move, it is said, could be interpreted as placing the authority and the prestige of the federal government behind those who would be seeking so-called excessive increases. It is said that if this were to occur it would affect our competitive position at home and abroad at a time when it is vital for the Canadian economy to maintain and extend its ability to compete.

It is my opinion that the extension of such legislation as we anticipate, and as is anticipated by the hon. member, would set a desirable pattern and I believe it should be pressed forward. I doubt that a minimum of $1.25 an hour would lead to any excessive demands, and I am sure hon. members agree that this is a very basic minimum.

Mr. Knowles: It is really too low.

Mr. Byrne: On the other hand, few rates in industries organized by unions are as low as $1.25 an hour, so that it can be argued that it would be difficult for unions to use the introduction of federal legislation as a basis for raising wages already above that minimum.

In Canada most negotiations take place at the local level. They are concerned with the problems and experiences of workers in these local areas and at local levels. The parties involved in the bargaining usually pay attention to the factors that govern their local situations and, of course, the ability of the industry to pay. In these circumstances it would seem that the introduction of a federal minimum wage would not be a determining factor in evoking wage increases, except where other factors warranted such increases.

Apart from its possible effect on collective bargaining, federal legislation would have an important impact on wages outside federal jurisdiction if it led to extending higher provincial minimum standards. The provincial governments of Canada have set minimum labour standards over a wider range than is proposed in this bill. The rates for some industries are higher than proposed in this bill, but all provincial minimum rates of general application are lower and in many cases substantially lower. In this regard I would draw attention to the province of Saskatchewan and some of the maritime provinces. In the province of British Columbia, of course, the standards are a little higher and they have a minimum rate for construction of $2 an hour.

Generally speaking low wage industries in Canada come under provincial jurisdiction which help to explain the fact, as I have said earlier, that there have not been greater demands for legislation in the federal field. Provincial orders of general application set minimum wages varying from 50 cents an hour in Newfoundland to $1 an hour in the Toronto-Oshawa-Hamilton zone of Ontario. Orders applicable to particular industries are generally higher, ranging from 60 cents an hour for hotels and restaurants outside metropolitan Montreal in the province of Quebec to $2 an hour for the construction trades in the province of British Columbia. The impact which the passage of federal legislation might have on provincial standards would depend in part at least on the strength of the consideration each province would give to its particular economic situation and its social needs before advancing its standards.

It has been suggested by other opponents that legislation providing for minimum hourly wages of $1.25, the same as exist in the United States, will be regarded by some people as an indication of parliamentary support for wage parity between Canada and the United States. At the present time wage differentials between Canada and the United States are in the order of 15 to 25 per cent over a wide range of industries, and this situation has prevailed virtually throughout our history. It is true that these wage differentials help certain branches of Canadian industry to overcome competitive advantages enjoyed by large scale firms in the United States.

The area covered by federal jurisdiction in the United States is much broader than in Canada. United States federal legislation covers many traditionally low wage industries which in Canada come under provincial jurisdiction. Therefore federal minimum wage legislation in Canada is not comparable to federal legislation in the United States.

The view has been advanced that an increase in costs to import competing industries, some of which such as clothing and textiles pay low wages, would limit the ability of such industries to compete with imports. Moreover, some of the increased costs of services to export industries, it has been suggested, could result in higher export prices, thus tending to reduce rather than expand exports, with consequent significant balance of payments implications. At the same time it should be noted that Canada's export industries fall mostly under provincial jurisdiction and that for the most part these industries already pay wages well above the minimum proposed in this legislation. The introduction of this legislation should thus have little or no effect on exports, even if the provincial minimum wage rates were to be raised to the federal level.

To the extent that the introduction of federal minimum wage legislation would tend to equalize minimum wage and other labour standards throughout the country, this of course could have adverse effects for those regions of the country badly in need of new industries and employment opportunities. It is widely believed that lower wage costs in these less developed regions are an important element in helping them to attract new industries in competition with the more favourably placed regions of Canada. But such is a spurious argument in my opinion and should hold no place in long range Liberal planning.

Mr. Knowles: "Long range" is right. Well put.

Mr. Byrne: But to allay such existing fears it can be argued that the effect of federal legislation on regional differentials would not be very great. The legislation would provide standards for minimum wages and its effect on average wages in any province would be limited. If this turned out to be the case, existing differentials in average wages would not be seriously disturbed. Moreover, it is sometimes held that the value of low wages to regions of slow growth is open to question.

Existing industries in these areas have frequently suffered from poor organization, antiquated methods, inefficient labour and as a result low productivity. It is essential in some cases to improve the quality of the labour output as a means of achieving higher productivity. To the extent higher wages and other improved labour standards can promote efficiency and increase income, the underdeveloped regions would be stimulated.

Members, in the true spirit of co-operative federalism, I am sure would want to consider the fears of provincial legislators and the relations with the provinces in any subsequent discussions we may have. Some provincial ministers of industry have referred to the difficulties that would arise for the provinces if scales of salaries and wages paid by the federal government did not take account of regional differences. Provincial standards applicable to industries in general, where they exist, are appreciably lower than the proposed federal levels. As mentioned earlier, some rates for particular industries are higher. Moreover, in many provinces the minimum wage legislation sets out rates for different regions within each province.

For these reasons, some provinces may feel that the introduction of a high general minimum standard for all industries under federal jurisdiction, regardless of their location, would place those provinces in a rather difficult position. On the other hand, the power of the federal government to legislate in this area is quite clear. Some provinces have, in the past, pointed out the administrative difficulties arising from the absence of legislation covering industries within provincial boundaries but under federal jurisdiction.

Now, having regard to the intense study given this question by officials, members of the government and the hon. member himself, I am sure the hon. member, if he will have patience, will find that the proposed labour standard legislation introduced by the government of Canada will incorporate most, if not all, the objectives he has in mind in considering Bill No. C-36. I am sure the hon. member will agree also that this legislation must be kept in perspective and in relation to all the other standards that will be introduced, having regard to the cost and the effect on the provinces and the various regions of Canada.

[*Translation*]

Mr. G. C. Lachance (Lafontaine): Mr. Speaker, I know that the hon. member for Winnipeg North Centre (Mr. Knowles) is perfectly aware that in the province of Saskatchewan, which was until recently administered by the hon. member's good friends,

the minimum weekly salary is about $34 for 44 hours of work, or approximately 76 or 77 cents an hour. This proves, to some extent, that the problem does not only concern the federal government but also the provincial authorities.

Even if the hon. member for Winnipeg North Centre seems to be introducing most of the bills concerning labour standards, it does not mean that his party is the only one in the house interested in labour conditions, for the Liberal party has been pioneering in that field, but without putting the cart before the horse. That is what makes the difference, from a political standpoint, between the two parties. And the workers know they can depend on the Liberal party, because its past record is a guarantee of its future policies.

The hon. member is well aware that, in the near future, the government intends to introduce in this house a complete program of labour legislation covering all the most urgent problems and designed to establish minimum wage rates, minimum working hours, statutory holidays and other working standards for establishments under federal jurisdiction.

Those measures were announced in the speech from the throne and repeated in many circumstances both by the Prime Minister (Mr. Pearson) and the Minister of Labour (Mr. MacEachen).

As a matter of fact, in a statement made to the delegates of the Canadian Labour Congress assembled in Montreal, on April 21, 1964, the Prime Minister said:

> In addition to the pension legislation, the federal government intends to undertake other projects in the field of social welfare and labour, matters which are of particular interest to this congress. Among those problems, the one dealing with work standards has been too long neglected.

The Prime Minister stated that the Minister of Labour would say more a little later, and that is when the Minister of Labour, who followed the Prime Minister, stated:

> Parliament will be asked during this session to set up national labour standards "in order to set a good example in that field".

Mr. Speaker, all that is in accordance with the Liberal party platform which was published and distributed from coast to coast during the last election campaign.

The government is fully aware, not only of its promises, but also of its responsibilities, and it has no intention to legislate out of hand in so important and so serious a matter.

I can assure the hon. member for Winnipeg North Centre that a quite important

[Mr. Lachance.]

committee made up of Liberal hon. members meets regularly to discuss those problems and that members of that committee are fully aware of the needs of the working class. They are also conscious of the many problems to which the passing of a new legislation in that field will give rise.

It should be considered that provincial governments, while being favourable to legislation designed to set a reasonable minimum wage, do not seem very enthusiastic as regards setting a minimum rate of $1.25 per hour, the effect of which would be to upset, for some time, certain sectors of the economy.

Of course, we should consider all the problems that could result from this legislation, the problem of service contracts, or manufacturing contracts. I know that certain industries, in several provinces, operate factories outside the large urban centres and, therefore, are favoured with cheaper labour. We should not take offence at that situation, since such legislation has enabled certain regions far from large centres to become industrialized and has prevented an exodus towards large cities.

If the minimum rate of $1.25 an hour is extended to all regions, there is reason to believe that industries established in remote places, away from the larger cities, will no longer benefit from any advantages, because then they will be faced with transportation costs which will no longer be compensated by payroll savings.

Far be it from me to be against a minimum rate of $1.25 but we must face the facts, and those are problems which must be discussed and examined thoroughly before setting up legislation for that purpose.

Until now the federal government has had limited responsibility as far as salaries are concerned, and that because of the 1935 legislation and other similar ones, even dating back to 1907.

Every province has legislated in the field of minimum wages, but wages offer a great deal of variation and very little similarity.

There is no doubt that the introduction by the federal government of minimum wage standards would help to equalize incomes, and would promote a better distribution of goods and a higher purchasing power.

Therefore, the principle of the minimum wage being accepted, at what amount should it be set?

The hon. member for Winnipeg North Centre introduced a bill suggesting a minimum wage of $1.25 an hour. In a year or

two it might have to be increased to $1.50. But on the basis of the present situation, it must be admitted that this figure of $1.25 would settle certain difficulties and would materially improve a serious situation.

A while ago, I was saying that in Saskatchewan the minimum rate is $34 a week. If you examine the situation in the other provinces, you will see that in Newfoundland, the standard is 50 cents an hour for men and 35 cents for women; in Prince Edward Island, it is 90 cents an hour. The situation in Nova Scotia is rather unusual in that only female employees are mentioned; it is set at $21.60 per week in centres of more than 8,000 population, but it is much lower in smaller communities. In New Brunswick, the minimum rate is 60 cents an hour and, in Quebec, it is 70 cents an hour in certain areas, including the district of Montreal, and 64 cents in the rest of the province. In Ontario, the standard is $1 an hour; in Manitoba, 70 cents; in Saskatchewan, $34 for a 44-hour week, and $34 a week in Alberta.

Most Canadian provinces have minimum wages which are much lower than the said minimum of $1.25.

It has also been mentioned that some 50,000 employees would benefit from such increase in minimum wages. If, for example, minimum wages were increased to $1.10, some 23,000 employees would benefit.

In my opinion, Mr. Speaker, $1.25 per hour is fair and reasonable under the present circumstances.

How does the government intend to set minimum wages at $1.25 per hour? As I said earlier, there are several problems and I mentioned, for example, that of small industries situated outside large urban centres.

As I said before, those small industries have often established themselves in those places because labour was cheap there. We should not forget that it was that cheap labour which made possible the industrialization of those areas.

I come back to the point I raised earlier. If a minimum salary of $1.25 an hour was set for the whole of Canada, it would not only tend to reduce the number of industries in some parts of the country, but also induce an exodus of workers towards large cities.

The government is conscious of those problems. As far as I am concerned, I know about them personally because I have studied them carefully. I am sure that the hon. member for Winnipeg North Centre is also aware of the situation.

We must consider here the whole problem concerning the standard rights of the workers.

Since the government stated repeatedly its desire to introduce general legislation on those problems, I think that all the main problems mentioned in the address in reply to the speech from the throne should be taken into consideration.

Indeed, it would be to no avail to submit piecemeal legislation to be brought before the house.

I can assure you Mr. Speaker, that the promises made by the Liberal party during the last election will be carried out and that every Canadian will benefit therefrom and, of course, will be pleased.

But, the legislation which the government may introduce will not satisfy the hon. member for Winnipeg North Centre, nor his party. As I said before, they are people who love to put the cart before the horse. They are men in the van, and we need men like that. I admire them for their optimism—

[*Text*]

Mr. Knowles: We want to get out of the horse and cart age.

[*Translation*]

Mr. Lachance: I can assure the hon. member for Winnipeg North Centre that, in the end, the cart will certainly run very well, even if the horse is before it, and not behind it.

I have had the opportunity of studying those problems seriously for some time. I think that the freedom of the labour unions —which until now was the cornerstone of our system with regard to workers' rights— to promote better labour standards is still the best weapon to help workers solve their problems.

I feel that there is good reason to be satisfied. According to the figures given by the parliamentary secretary to the Minister of Labour (Mr. Byrne), you will note that there is only a small number of workers whose salary is lower than that minimum. It must be remembered that, in some cases, for instance hotel and restaurant employees, not one hon. member believes that those people get only the minimum wage prescribed by the act.

[*Text*]

The Acting Speaker (Mr. Batten): Order. The hour for the consideration of private members' business has expired.

BUSINESS OF THE HOUSE

Mr. Churchill: May I ask the acting house leader with regard to the business for next week. We are aware that the resolution pertaining to the two flags is to be considered on Monday. Is it the intention of the government to have that debate continue without interruption during the course of next week?

Mr. MacNaught: Mr. Speaker, in reply to the hon. member I must say the only interruption will be if the constitutional amendment is ready to go before the house.

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

HOUSE OF COMMONS

Monday, June 15, 1964

The house met at 2.30 p.m.

PRIVILEGE

MR. CAOUETTE—C.B.C. INTERVIEW WITH CREDITISTE MEMBER ON FLAG ISSUE

[*Translation*]

Mr. Réal Caouette (Villeneuve): Mr. Speaker, I rise on a question of privilege to protest strongly against what the C.B.C. did over the week end.

Last Friday several hon. members from both sides of the house were invited to take part in interviews so they could voice their opinions on the Canadian flag.

Now, the hon. member for Shefford (Mr. Rondeau), who is a member of our group, took part in an interview which was recorded Saturday evening at ten thirty. All political parties were represented and their views were aired on the public television network, except that those people forgot to present the opinions of the hon. member for Shefford.

Mr. Speaker, I strongly protest against the arbitrary manner in which the C.B.C. eliminated a member of any group in the House of Commons.

I have no objection to all parties having the opportunity of expressing their views, but I strongly object because members of our group were denied the same opportunity as others.

I would ask the Secretary of State (Mr. Lamontagne) to inquire into the reasons why the hon. member for Shefford was prevented from making his views known on the C.B.C. television network last Saturday night.

[*Text*]

COMMITTEES OF THE HOUSE

Second report of standing committee on privileges and elections—Mr. Pennell.

STANDING ORDERS—CONCURRENCE IN SECOND REPORT

Mr. Robert Temple (Hastings South) moved that the second report of the standing committee on standing orders, presented to the house on Wednesday, June 10, 1964, be now concurred in.

Motion agreed to.

QUESTIONS

(Questions answered orally are indicated by an asterisk).

LAND EXCHANGE, QUEBEC-NEWFOUNDLAND

Question No. 879—**Mr. Lambert:**

1. Has the government of Canada received any representations or communications from the government of either Quebec or Newfoundland with respect to presenting a petition to the parliament of Britain, so as to pave the way for an exchange of lands between the two provinces in Labrador and Ungava and, if so, what is the nature of such representations or communications?

2. What has been the reply by the government of Canada?

Mr. Davis: 1. No.

2. Not applicable.

CANADIAN MEMBERSHIP IN FAO

Question No. 987—**Mr. Latulippe:**

1. Is Canada a member of the world food and agriculture organization and, if so (a) since what date (b) how much does membership cost this country (c) what have been the main Canadian contributions to this organization?

2. What government department is responsible for Canadian participation in this organization?

[*Translation*]

Answer: 1. Canada is a member of the United Nations Food and Agriculture Organization.

(a) Since the organization was founded, following the first conference of F.A.O., in Quebec in 1945.

(b) Canada's contribution was $645,679.11 for 1963 and $796,687.54 for 1964.

(c) Canada being one of the main producing and exporting countries in the agricultural field, and with regard to the fishing and forest industries, is giving support to F.A.O. and its various activities. Canada is a member of the F.A.O. council, of the products committee and other subsidiary agencies and branches of the food and agricultural organization.

2. Under the food and agriculture organization of the United Nations Act of 1945, the Secretary of State has to report every year to parliament on Canada's participation in F.A.O. Canada's share concerns several departments, which are represented at the interdepartmental committee of F.A.O. under the chairmanship of a senior official of the Department of Agriculture.

Questions

[*Text*]

*CONSTRUCTION OF PENITENTIARY, DRUMHELLER, ALTA.

Question No. 1,071—**Mr. Woolliams:**

1. When will the construction of the Drumheller penitentiary (institution for young offenders) commence?
2. Will this institution be especially designed in every regard for the purpose of rehabilitating young offenders and, if so (a) what is the plan in this regard, and (b) what program will be followed?
3. From what provinces will young offenders be placed in the institution?
4. How many young offenders, under 21 years of age, are now incarcerated in penitentiaries in Canada?
5. How many are incarcerated under 15 years of age?
6. What age is the youngest prisoner in Canada?

Mr. Macdonald: 1. The construction of the Drumheller institution is expected to commence in October 1964.

2. The Drumheller institution has been designed specifically in every regard for the purpose of rehabilitating young offenders.

(a) The plan is to construct an institution of medium security based on the principles of the most up to date concepts of the correctional process, which will incorporate the required facilities for young offenders from western provinces and certain selected adult first offenders.

(b) The program will be based on the principle of individual attention, using diagnostic processes from social, medical and psychological points of view; and will include the following elements: education, vocational training, religious observance and spiritual guidance, social education (citizenship training), physical education and recreation, cultural activities and hobbycrafts, guidance and counselling.

3. From Alberta, Saskatchewan and Manitoba.

4. 1,091 inmates under 21 years of age are now incarcerated in penitentiaries in Canada.

5. One inmate is under 15 years of age.

6. The youngest prisoner in a federal penal institution in Canada is of 14 years and eight months of age.

NEW CANADIAN FLAGS FOR NORTHWEST TERRITORIES

Question No. 1,095—**Mr. Leboe:**

Has any department, agency, or commission of the federal government ordered new Canadian flags for Canadian government property or institutions in the Northwest Territories and, if so (a) did boxes or cartons labelled "new Canadian flag, made in U.S.A." shipped to northern points, actually contain new flags (b) what are the prime features of these flags?

Mr. Lamontagne: In so far as the Department of Public Works is concerned: yes, newly manufactured Canadian red ensigns have recently been sent to the Northwest Territories.

(a) No. The flags in question were contained in boxes marked Canadiana Textile Print Works Ltd., Port Credit, Ontario.

(b) Canadian red ensigns of light weight silk screen nylon, complete with ropes and toggles to commercial standards.

The Department of Northern Affairs and National Resources has purchased flags from Canadian suppliers for direct shipment to various settlements in the north. Departmental records do not indicate the specific labelling which may have appeared on cartons provided by the suppliers, and contain no other information bearing on this question. Where flags are purchased for, or used on departmental installations, the design is in accordance with the established practice respecting official flags.

PENITENTIARY CONSTRUCTION, ST. PIE DE BAGOT, QUE.

Question No. 1,103—**Mr. Ricard:**

In connection with the proposed construction of a penitentiary at Grand Rang St. François in the parish of St. Pie de Bagot, what was the amount of money spent for the services of personnel from the departments of public works and justice, and for the services of outside professional people in connection with each of the following items (a) land appraisal (b) search for water (c) farm appraisal (d) various engineering jobs (e) various architectural jobs (f) various notarial tasks?

[*Translation*]

Answer: (a) and (c)—$1,161.10; (b)—$14,346.10; (d)—$3,145; (e)—$354.09; (f)—$1,062.42.

[*Text*]

*H.M.C.S. "PROVIDER"

Question No. 1,168—**Mr. Fisher:**

1. What was the total cost of putting H.M.C.S. *Provider* into service?
2. Has the R.C.N. any distinction between the accounts to put the ship into service and the expenditures needed to correct any deficiencies and, if so, what is the estimated total of the latter costs?
3. Is H.M.C.S. *Provider* on a working up trip across the Atlantic and, if so, what purposes other than the general one of training have caused this exercise?

Mr. Cardin: 1. $16,850,000.

2. Yes. Trials have determined that some equipment was either deficient in perform-

ance or in need of some adjustment to provide for greater efficiency. As *Provider* is still conducting trials, the total amount to be spent on these deficiencies and adjustments is not yet completely known, but it is expected that a proportion of such costs will be borne by the shipbuilder under the terms of the warranty agreement.

3. Yes. In company with H.M.C.S. *Yukon*, *Provider* is carrying out trials to bring her replenishment system to a fully operational and worked up state, as well as carrying out fleet exercises. In addition, *Provider* will visit Newcastle-on-Tyne to instal certain items of replenishment equipment which are being replaced under warranty by the equipment manufacturer.

WORLD FAIR REGIONAL REPRESENTATIVES

Question No. 1,180—**Mr. Latulippe:**

1. How many regional representatives of the 1967 world exhibition have been appointed to date?
2. What are the names of those representatives?
3. What regions do they represent?
4. What are their general functions?
5. How many offices will be opened for those representatives?
6. Where and when will those offices be opened?
7. What amounts are provided toward the administration of those offices?
8. Is a special system of representation provided for with municipal councils by those regional offices for the purpose of municipalities participating to any program concerning the exhibition?
9. Have any Canadian embassies assigned personnel to promote the exhibition abroad?
10. Have the directors of the 1967 world exhibition corporation examined, or are they examining, the possibility of creating regional committees, for instance, one for the eastern townships, one for the northwest district of Quebec, in all provinces, in order that the whole of the Canadian population may participate?

[*Translation*]

Answer: 1. Three.

2. Allan A. Rowan-Legg, Squadron Leader T. J. MacKinnon and Major General Edward Chester Plow.

3. They do not represent any region in particular but rather the 1967 world exhibition in the following regions: Rowan-Legg: Ontario, Major General Plow: Atlantic provinces, MacKinnon: British Columbia.

4. In their respective regions, they will help the world exhibition by keeping in touch with exhibitors, looking after public relations and, during the exhibition, visitors to the exhibition on tour in Canada, especially important people and foreign businessmen.

5. Three for the abovementioned representatives and a fourth one in Winnipeg, for the prairies, in 1964. The opening of other offices is also contemplated.

6. Vancouver on June 15, 1964, Toronto on June 1, 1964, Halifax on June 15, 1964, Winnipeg has not been opened yet.

7. $173,000.

8. Proposals concerning the participation of municipalities as exhibitors are submitted to the provinces concerned. The corporation deals directly with local groups with regard to public relations.

9. Canada's embassies abroad have no personnel specially responsible for promoting the 1967 world exhibition, but all our ambassadors and high commissioners as well as their staff receive documentation about the exhibition and do their best to promote it in the countries where they are posted.

10. Yes, but only where the initiative is taken at the local level.

[*Text*]

WINTER HOME CONSTRUCTION BONUS

Question No. 1,181—**Mr. Starr:**

1. How many qualified for the $500 bonus under the winter home construction program as of April 15, 1964, when this program ended?
2. What is the total cost of this program, including the $500 bonus?

Mr. MacEachen: 1. 28,000 dwelling units qualified under the winter house building incentive program.

2. The total cost of the program is estimated at $14,500,000. This covers the incentive payment and administration, including advertising costs and the cost of inspections carried out by Central Mortgage and Housing Corporation.

NATIONAL REVENUE EMPLOYEES, COMPTON-FRONTENAC CONSTITUENCY, QUE.

Question No. 1,187—**Mr. Latulippe:**

1. How many customs officers or other employees of the department were dismissed or replaced in Compton-Frontenac since June 18, 1962, and (a) what was the name of each (b) what was the reason in each case?
2. How many persons have been newly employed in Compton-Frontenac by the Department of National Revenue since June 18, 1962 and, (a) what is the name of each such employee (b) what is the nature of each position, and (c) what is the salary paid to each?

[*Translation*]

Answer: 1. Strictly speaking, there were no dismissals, but an employee, Mr. Léo Lambert, part-time cleaner, was dismissed during his training period, because he was found unable to hold a job with the Department of National Revenue, customs and excise division.

Questions

Mr. J. A. F. Morin, customs and excise officer 3, died on August 18, 1963, and his position has been filled by the promotion of another employee.

2. Since June 18, 1962, the civil service commission appointed the following employees: Léo Lambert (see above), cleaner (part-time), $874; J. M. F. Rancourt, customs and excise officer 2 (seasonal), $3,150; K. P. Flanders, customs and excise officer 2 (seasonal), $4,230; J. A. C. Lessard, customs and excise officer 3 (transferred), $5,100.

[*Text*]

* ACTION TO REPLENISH UNEMPLOYMENT INSURANCE FUND

Question No. 1,192—**Mr. Ricard:**

What action does the government intend to take to replenish the unemployment insurance fund, which had a deficit of nearly $26,000,000 in April, 1964?

Mr. Byrne: This has been taken care of in the supplementary estimates, which provided for the unemployment insurance fund to obtain loans not exceeding $55 million.

USE OF PESTICIDES IN CANADA

Question No. 1,206—**Mr. Orlikow:**

Are the pesticides aldrin, dieldrin and endrin, still being used in Canada and, if so, is the government giving consideration to reports that their use has caused the death of millions of fish in the Mississippi river in the United States?

Mr. Lamontagne: Aldrin, dieldrin and endrin insecticides are registered and are being used in Canada on a declining scale. Other insecticides that have advantages in use are tending to replace them. Information on the Mississippi river incident is carefully assessed, as it becomes available, for any possible implication in relation to Canadian conditions. Consideration is being given on a continuous basis to the effects on fish life of pesticides used on land and in forests.

CRANBERRY PORTAGE, MAN.—ASSISTANCE WITH MUNICIPAL DEBT

Question No. 1,221—**Mr. Simpson:**

1. Is the government considering financial assistance to the residents of Cranberry Portage, Manitoba, in relation to the very heavy debts with which they have been saddled in the matter of school debentures, which were negotiated in good faith on the continuance of the mid-Canada radar site at that location?

2. If not, will the government ensure that full consideration will be given to this matter at an early date?

Mr. Drury: 1 and 2. The whole question of the future of the mid-Canada radar site is presently being discussed with the Manitoba government. Such discussions, however, do not contemplate any payments.

HIGHWAY PAVING, GUYSBOROUGH COUNTY, N.S.

Question No. 1,227—**Mr. Armstrong:**

1. What contracts have been approved at any time by the federal government in connection with the construction and the paving of highways in Guysborough county, Nova Scotia, under the roads to resources program?

2. In the case of each contract, what has been, or is anticipated to be, the federal contribution?

Mr. Laing: 1 and 2.

Contractor	Amount	Type of work	Miles	Federal contribution paid	Anticipated federal contribution remaining
	$			$	$
Tidewater Construction	245,587.00	Grading	29.0	122,793.50	Nil
Armco Drainage & Metal Products	8,661.00	Bridge (Howlett)	—	4,330.50	Nil
Pioneer Construction Co	353,319.00	Grading	12.0	176,659.50	Nil
		Gravelling	12.0		
Municipal Spraying Co	449,177.00	Grading	29.4	224,588.50	Nil
		Gravel	29.4		
		Paving	29.4		
Provincial Day Labour	31,768.00	Preliminary engineering	23.0	15,884.00	Nil
McCully & Ray Ltd	39,728.00	Bridge (Isaac's Harbour)	—	19,864.00	Nil
Waverley Construction Co	360,468.00	Grading	9.8	180,234.00	Nil
		Gravel	9.8		
Martell's Construction Co	367,000.00	Grading	13.2	183,500.00	Nil
		Gravel	13.2		
Warren Maritimes Ltd	271,000.00	Grading	15.0	59,217.50	76,282.50
		Paving	15.0		
Total	2,126,708.00			987,071.50	76,282.50

WORLD FAIR—CONTRACTS FOR SOD

Question No. 1,232—**Mr. Madill:**

1. Were tenders called for the supply of sod for the site of the 1967 world exhibition and, if so (a) were they open to producers of the provinces of Ontario and Quebec (b) were any tenders received from producers of high quality sod in the province of Ontario (c) were tenders from producers in the province of Ontario competitive?

2. Has a decision been reached to award contracts to one or more British Columbia producers and, if so, has it been demonstrated that sod of a quality comparable to that available in the province of Ontario can be shipped from the province of British Columbia to the Montreal site at a competitive price?

Answer: 1. (a), (b), (c) Yes.

2. No.

IRON ORE PRODUCTION

Question No. 1,237—**Mr. Tucker:**

What was the total production of iron ore, in dollar value and in tons, in each province of Canada, from January 1 to December 31, 1963, inclusive?

Answer:

Iron Ore, 1963

Province	Quantity (short tons)	Value $
Newfoundland	9,407,100	83,620,025
Prince Edward Island	—	—
Nova Scotia	—	—
New Brunswick	—	—
Quebec	11,811,000	123,525,340
Ontario	6,844,660	65,368,600
Manitoba	—	—
Saskatchewan	—	—
Alberta	—	—
British Columbia	2,071,838	19,846,836
Canada	30,134,598	292,360,801

RECIPIENTS OF UNEMPLOYMENT ASSISTANCE

Question No. 1,239—**Mr. Orlikow:**

As of May 1, 1964, how many people classified as employable unemployed were receiving assistance in each province under the provisions of the Unemployment Assistance Act?

Miss LaMarsh: Figures are not available on the number of employable unemployed covered by the sharing provisions of the Unemployment Assistance Act on May 1, 1964. The act does not require the provinces to provide data on this basis.

DEFENCE PRODUCTION SHIPBUILDING CONTRACTS

Question No. 1,241—**Mr. MacEwan:**

1. What was the total amount of contracts awarded by the shipbuilding branch of the Department of Defence Production from January 1, 1964, to May 31, 1964?

Questions

2. To what companies were these contracts awarded and what was the amount of same to each company?

Mr. Drury: 1. The total amount of contracts awarded by the shipbuilding branch of defence production from January 1, 1964 to May 31, 1964 was $3,470,982.71.

2. Hereunder is a list of the names of the companies to whom these contracts were awarded and the amount.

Company	Amount
Pate Development & Prototypes	$ 5,000.00
Forster Instruments Ltd.	3,282.72
Dominion Steel & Coal Corp. Ltd.	32,335.00
Cutler-Hammer Co. Ltd.	9,164.20
Peacock Brothers Limited	40,477.00
Peacock Brothers Limited	32,705.25
Lucas-Rotax Limited	5,192.00
Dominion Engineering Works Limited	52,616.02
Black Clawson-Kennedy Limited	2,199.78
Fleet Manufacturing Limited	9,072.32
S. F. Bowser Limited	2,308.81
Aircraft Appliances & Equipment Limited	3,928.08
Electric Tachometer Corp.	3,650.40
Bailey Meter Co. Ltd.	10,000.00
Woodward Governor Company	7,262.13
Yarrows Ltd.	108,095.00
Yarrows Ltd.	16,996.00
Halifax Shipyards Limited	15,023.00
Yarrows Ltd.	3,790.00
Halifax Shipyards Limited	16,852.00
Yarrows Ltd.	295,000.00
U.S. Navy Yard, California	4,860.00
Halifax Shipyards Limited	9,201.00
Traveler Mfg. Co. Ltd.	21,504.00
Yarrows Ltd.	100,000.00
Halifax Shipyards Limited	9,141.00
Halifax Shipyards Limited	103,757.00
Halifax Shipyards Limited	12,476.00
Steel & Engineering Products	45,189.00
Steel & Engineering Products	12,972.00
Davie Shipbuilding Limited	100,000.00
Sydney Engineering Ltd.	75,000.00
Purdy Brothers Limited	14,000.00
Halifax Shipyards Limited	5,278.00
Yarrows Ltd.	468.00
Halifax Shipyards Limited	4,817.00
Halifax Shipyards Limited	12,650.00
Victoria Machinery Depot Co. Ltd.	5,051.00
Canadian Vickers Limited	12,312.00
Geo. T. Davie & Sons Ltd.	158,125.00
Halifax Shipyards Limited	6,310.00
Halifax Shipyards Limited	10,305.00

Orders for Returns

Company	Amount
Halifax Shipyards Limited	7,494.00
Burrard Dry Dock Co. Ltd.	20,941.00
Dominion Engineering Works Limited	3,000.00
Halifax Shipyards Limited	24,846.00
Ferguson Industries	14,000.00
Canadian Vickers Limited	1,110,017.00
Peacock Brothers Limited	634,220.00
Halifax Shipyards Limited	18,648.00
Lunenburg Foundry & Engineering	30,000.00
Halifax Shipyards Limited	80,000.00
Canadian Vickers Limited	117,676.00
Peacock Brothers Limited	11,775.00

VOCATIONAL TRAINING PAYMENTS TO PROVINCES

Question No. 1,245—**Mr. Balcer:**

1. Since 1960, what amount was received for each year, by province, under the Technical and Vocational Training Assistance Act?

2. Did any amendment or agreement made in 1963 permit the province of Quebec to recover, under the Technical and Vocational Training Assistance Act, amounts more closely related to those received by the province of Ontario?

Mr. MacEachen:

1. Province	1961-62	1962-63	1963-64
Newfoundland	$ 2,975,268	$ 13,194,166	$ 5,751,551
P.E.I.	200,063	975,257	1,730,467
N.S.	1,150,420	3,634,753	4,726,554
N.B.	1,562,607	2,622,770	2,259,719
Quebec	8,829,731	20,411,923	22,927,425
Ontario	11,929,970	126,630,763	69,188,201
Manitoba	1,144,808	3,745,506	1,766,389
Saskatchewan	1,454,445	5,349,883	3,719,078
Alberta	3,595,710	24,460,077	15,103,263
B.C.	2,824,984	6,250,516	9,044,166
Y.T.	36,786	543,989	195,125
N.W.T.	24,831	95,837	20,030
Totals	$35,729,623	$207,915,440	$136,431,968

2. Yes. An amendment to the agreement effective April 1, 1961 permits payment by the federal government of 75 per cent of provincial expenditures incurred on training facilities up to a specified maximum and 50 per cent thereafter to March 31, 1967. This specified maximum federal contribution of 75 per cent was determined by applying a per capita cost of $480 per person in the 15 to 19, inclusive, age group residing in each province as determined by the 1961 census. Under this formula the province of Quebec will be eligible to receive payments on a 75 per cent basis for training facilities up to $224,364,400. Ontario under the same formula is eligible to receive $209,703,800.

QUESTIONS PASSED AS ORDERS FOR RETURNS

RECOMMENDATIONS OF JOINT INDIAN AFFAIRS COMMITTEE

Question No. 868—**Mr. Howard:**

What action, in detail, has been taken with respect to each of the following recommendations of the joint committee of the Senate and the House of Commons on Indian affairs:

"(a) The question of transferring health services for Indians to the provinces should be discussed at a dominion-provincial conference, but the present health program should be continued and extended until such time as this can be accomplished.

(b) Provincial welfare legislation and services should be used for the benefit of the Indian population.

(c) Social welfare should be placed on the agenda of a dominion-provincial conference with a view to transferring jurisdiction to the provinces.

(d) A substantially increased public investment should be made in Indian housing and sanitation facilities.

(e) A revolving loan fund for housing purposes should be established."?

Return tabled.

MOTOR VEHICLE PURCHASES, CAPE BRETON NORTH AND VICTORIA CONSTITUENCY

Question No. 882—**Mr. Muir (Cape Breton North and Victoria):**

1. Since April 8, 1963, what government departments have purchased motor vehicles for use in the constituency of Cape Breton North and Victoria?

2. In regard to each purchase, what firms were invited to tender, what were the names of the firms

that did tender, who was the successful tenderer and what was the amount, and what were the amounts of the tenders of all others who tendered?

Return tabled.

LEVEL CROSSINGS, COMPTON-FRONTENAC CONSTITUENCY

Question No. 1,144—**Mr. Latulippe:**

1. How many level crossings are there in Compton-Frontenac?
2. How many accidents have occurred at these crossings in the last five years?
3. Where did each such accident occur?
4. In each case, what was the number of persons killed, seriously injured, slightly injured, and what was the amount of material damage?
5. How many signal lights have been installed in Compton-Frontenac in the last five years?
6. What is the number of signal lights in Compton-Frontenac, and where is each located?

Return tabled.

* H.M.C.S. "BONAVENTURE"

Question No. 1,169—**Mr. Fisher:**

1. Does the government plan to modernize the aircraft carrier H.M.C.S. *Bonaventure* within the next two years and, if so, what is the estimated cost of the modernization?
2. In the time interval before a complete modernization, is there any intention to spend any money in rectifying present defects in the ship or to reduce the maintenance backlog or to prepare specifications for the modernization and, if so, what is the estimate for these expenditures?
3. How long will the *Bonaventure* be out of service in the interval before modernization begins?
4. Has there been any shortage in personnel on the H.M.C.S. *Bonaventure* in the past two years in so far as the establishment for technicians is concerned and, if so, what are the details?
5. What has been the repair and maintenance cost of the *Bonaventure*, year by year, since its acquisition by the R.C.N.?
6. What is the estimated service life of the *Bonaventure*?

Return tabled.

TRADE

WHEAT—POSSIBLE REDUCTION IN SALES TO RUSSIA

On the orders of the day:

Right Hon. J. G. Diefenbaker (Leader of the Opposition): I should like to direct a question to the Minister of Trade and Commerce. It is related to a news dispatch in today's New York *Times* from the correspondent in Moscow to the effect that prospects of a normal wheat crop in the Soviet union will result in no further purchases being made, except for nominal amounts, of Canadian wheat in the coming year. Can the minister say whether he has any information in this regard and whether there is any basis, which I hope there is not, for the article in question?

Hon. Mitchell Sharp (Minister of Trade and Commerce): Mr. Speaker, my understanding of the position is that the Russian government are not at all clear, so early in the season, as to their ultimate supply position and are awaiting clarification before deciding whether they will buy wheat from any part of the world.

Mr. Diefenbaker: Can the minister say whether there has been any indication to Canada that there now is uncertainty in this regard on the part of the Russian government?

Mr. Sharp: Well, Mr. Speaker, I would just say that there has never been anything but uncertainty in this regard, and no one has said anything else. The Russian government have made it quite clear that they would declare their intention to purchase next year after they had seen what crop prospects were like for the coming year.

Mr. Diefenbaker: Has there been any indication to the Canadian government from the Russian government to the effect that, on the basis of anticipated returns at the present time, there is a possibility of a great reduction in the amount of Canadian purchases?

Mr. Sharp: The Canadian wheat board have been in constant communication with the Soviet government in connection with possible wheat purchases, and when the Russian government makes its decision it will communicate with the wheat board.

GATT—REQUEST FOR REPORT ON NEGOTIATIONS

On the orders of the day:

Hon. George C. Nowlan (Digby-Annapolis-Kings): Mr. Speaker, I wonder if I may direct a question to the Minister of Trade and Commerce, of which I have not given him notice. I understand the conference in Geneva is breaking up tomorrow. Could the minister give us any information as to the reconciliation of the viewpoints of the have-not countries and the have countries, which is so important to trade negotiations?

Hon. Mitchell Sharp (Minister of Trade and Commerce): Mr. Speaker, I had an oral report from my officials this morning, which was rather incomplete. I would prefer to await the written report, and then I think

I would be able to satisfy my hon. friend as to what has come out of the conference.

Mr. Nowlan: I thank the minister.

LABOUR RELATIONS

MONTREAL—REPORTED WILDCAT STRIKE OF LONGSHOREMEN

On the orders of the day:

Hon. Michael Starr (Ontario): I should like to address a question to the Minister of Labour and ask him if there is any truth in the report that there is a wildcat walkout of longshoremen in the Montreal area. If so, what is being done to bring about a resumption of work?

Hon. A. J. MacEachen (Minister of Labour): Yes, there is a walkout in Montreal having to do with the adjustment in the pension fund. The commissioner appointed to settle the strike last fall is now undertaking to provide as quickly as possible an interim report that might be used as a basis for the resumption of work.

THE MINISTRY

APPOINTMENT OF EXECUTIVE ASSISTANTS IN HOME RIDINGS

On the orders of the day:

Mr. T. C. Douglas (Burnaby-Coquitlam): Mr. Speaker, may I ask the Prime Minister a question regarding the two orders in council passed appointing staff for two cabinet ministers to serve in the constituencies of the cabinet ministers in question. I ask the Prime Minister, is it the intention of the government to continue these orders in council in effect, and is it the intention of the government to extend this policy to cover other cabinet ministers?

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, the President of the Privy Council has already indicated that he is to make a full statement on this matter, and I hope he will be able to do so very shortly.

EXTERNAL AFFAIRS

CYPRUS—EXTENSION OF PERIOD OF COMMITMENT OF CANADIAN FORCE

On the orders of the day:

[*Translation*]

Mr. Réal Caouette (Villeneuve): Mr. Speaker, may I direct a question to the Secretary of State for External Affairs?

[Mr. Sharp.]

Has the government reached a decision about continuing Canada's participation in the U.N. force now on Cyprus?

Hon. Paul Martin (Secretary of State for External Affairs): Mr. Speaker, there will be a meeting of the United Nations' security council next Wednesday, I think after which I will be in a position to make a statement about that matter.

[*Text*]

HEALTH AND WELFARE

OTTAWA—REQUEST FOR X-RAY EXAMINATION OF POST OFFICE EMPLOYEES

On the orders of the day:

Mr. H. W. Herridge (Kootenay West): Mr. Speaker, I wish to address a question to the Minister of National Health and Welfare. Has the minister received a request from employees of the Besserer street post office, Ottawa, for an immediate X-ray of all local employees to end the grave concern that a tuberculosis outbreak is imminent? If so, what is the minister's intention with respect to this request; and would she give consideration to arranging for X-rays of post office employees working under similar conditions in some of the larger post offices in Canada?

Hon. Judy V. LaMarsh (Minister of National Health and Welfare): Mr. Speaker, I would like to thank my hon. friend for giving me notice of this question, but I do not as yet have the information. I would be glad to obtain it and reply to my hon. friend later.

ADMINISTRATION OF JUSTICE

CONTINUATION OF STUDIES BY FLQ MEMBERS IN PRISON

On the orders of the day:

[*Translation*]

Mr. Gilles Grégoire (Lapointe): Mr. Speaker, may I direct a question to the Minister of Justice?

Can the minister tell us if his department has investigated the possibility of allowing the F.L.Q. members now serving time in St. Vincent de Paul penitentiary to keep up their studies while they are confined there?

[*Text*]

Mr. Speaker: Order, please. There is no particular urgency to this question. Would the hon. member put it on the order paper.

[*Translation*]

Mr. Grégoire: In view of the fact that the prisoners started a hunger strike this morning

to ensure the success of their request, I feel that the situation has become urgent and, considering the urgency of the situation at the St. Vincent de Paul penitentiary and especially the fact that the other prisoners have expressed their sympathy, I would ask the Minister of Justice to have an investigation carried out.

[*Text*]

Mr. Speaker: Order, please. I have given a ruling, and the hon. member has the privilege of debating this at 10 o'clock if he wishes.

[*Translation*]

Mr. Grégoire: Mr. Speaker, I ask this matter be taken up at ten o'clock, at which time we will not be deprived of our right to raise this issue.

[*Text*]

CANADIAN FLAG

SUGGESTED POSTPONEMENT OF DEBATE TO HOLD PLEBISCITE

On the orders of the day:

Mr. Robert C. Coates (Cumberland): Mr. Speaker, I have a question for the Prime Minister. Will the Prime Minister set aside the flag debate in view of the growing demand among Canadians for a national plebiscite, as evidenced by the 18,000 signatures affixed to a petition delivered to his office this forenoon?

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, I hope the debate will proceed in a few moments, when this will be one of the matters I will talk about.

Mr. Coates: As a supplementary question, is not this an indication that the Prime Minister does not care—

Mr. Speaker: Order. That question is strictly out of order.

Mr. Reynold Rapp (Humboldt-Melfort-Tisdale): I have a question for the Minister of Justice, just a point of clarification. Is the flag which flies over the parliament buildings while parliament is in session recognized as the flag of the nation?

Hon. Guy Favreau (Minister of Justice): This calls for a legal opinion and therefore goes against a rule of this house.

Some hon. Members: Oh, oh.

Inquiries of the Ministry

ELIMINATION OF REFERENCE IN RESOLUTION TO UNION JACK

On the orders of the day:

[*Translation*]

Mr. L. J. Pigeon (Joliette-L'Assomption-Montcalm): Mr. Speaker, I should like to direct a question to the Prime Minister. Does he propose to remove the last part of the resolution concerning the union jack, so as not to induce members to scuttle the debate by making lengthy speeches?

[*Text*]

Mr. Speaker: This question is out of order.

Right Hon. J. G. Diefenbaker (Leader of the Opposition): Mr. Speaker, I rise simply to ask Your Honour this. What is wrong with that question? The hon. member is asking whether the Prime Minister intends to break the resolution into two. I know we want to do everything we can to assist, but I do not understand the reason for that ruling. I am sure it is a very good reason, but it is not apparent.

Mr. Speaker: The initial and apparent reason is that the same question was asked on Friday, I think, or if not Friday on Thursday. It is a repetitive question or a repetitive statement.

Mr. Diefenbaker: But I think we are entitled to an answer, are we not, on a matter so important as this? Repetitive questions sometimes arise from the failure of a government to give answers of any kind.

INDUSTRY

REPORTED REMOVAL OF PLANT FROM NIAGARA FALLS TO BRANTFORD

On the orders of the day:

Mr. A. D. Hales (Wellington South): Mr. Speaker, I would like to address a question to the Minister of National Health and Welfare and ask the hon. lady whether she has conferred with the Minister of Industry concerning the loss of an industry in Niagara Falls, namely, the Dow Corning silicones industry, which has decided to locate in the designated area of Brantford?

Mr. Speaker: Order. It seems to me this is a question for the order paper.

Inquiries of the Ministry

DOMINION-PROVINCIAL RELATIONS

PROVINCIAL PARTICIPATION IN FISCAL AND MONETARY POLICIES

On the orders of the day:

[*Translation*]

Mr. Maurice Côté (Chicoutimi): Mr. Speaker, I should like to put a question to the Secretary of State.

Could the minister inform the house as to whether the government proposed to establish jointly with the provinces permanent offices to deal with taxation, currency and trade?

Hon. Maurice Lamontagne (Secretary of State): Not to my knowledge, Mr. Speaker.

[*Text*]

CANADIAN CONSTITUTION

APPROVAL BY QUEBEC LEGISLATURE OF PROPOSED AMENDMENT

On the orders of the day:

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, I wish to address a question to the Prime Minister. Could the right hon. gentleman tell us whether he has received word from Quebec as to when the government of that province may be able to give its approval to the proposed amendment to the Canadian constitution, having to do with survivors' benefits?

Right Hon. L. B. Pearson (Prime Minister): The legislature is debating that matter this afternoon. I hope the debate will be a short one, and that we can get ahead with our resolution here.

IMMIGRATION

JOSIF VERGAKIS—REQUEST FOR REASON FOR DETENTION

On the orders of the day:

Right Hon. J. G. Diefenbaker (Leader of the Opposition): I should like to direct a question to the minister of immigration. It has to do with a man by the name of Josif Vergakis, a 20 year old seaman who was apprehended on April 27, having been taken into custody at the request of the hon. gentleman's department. Bail was granted to him in the sum of $1,000. He put up the money, yet he is still in custody. Is it because he refuses to answer questions which are placed before him, or for what reason is he being held in this country?

[*Translation*]

Hon. René Tremblay (Minister of Citizenship and Immigration): Mr. Speaker, I am not aware of that particular case, but I will be pleased to make the necessary inquiries and provide the information.

[*Text*]

FLOODS

BRITISH COLUMBIA—REQUEST FOR STATEMENT ON SITUATION

On the orders of the day:

Mr. Frank Howard (Skeena): In the absence of the Minister of Northern Affairs and National Resources I wonder if I could direct a question either to the Postmaster General, as the other cabinet minister from British Columbia, or to the acting minister of northern affairs with respect to the flood situation in British Columbia. News reports indicate that the floods have abated somewhat, but perhaps one of the members of the cabinet could give the house a reasonably up to date indication of the situation.

Hon. J. R. Nicholson (Postmaster General): I am sure that the parliamentary secretary to the Minister of Northern Affairs and National Resources is in a position to deal with that.

Mr. John N. Turner (Parliamentary Secretary to Minister of Northern Affairs and National Resources): The minister is in British Columbia at the moment looking into the gravity of the situation on the Fraser and Skeena rivers. I might say that at his request I was in Dawson City and Mayo last Thursday and Friday to look at the situation on the Yukon and Stewart rivers. I am glad to report with regard to these particular waters that the levels seem to have dropped. At Mayo the flood waters are one and a half feet below the five feet above normal which they once were, and at Dawson City, for the first time, the waters have begun to recede and were six inches lower than the previous mark of ten feet above normal.

Mr. Howard: May I ask the parliamentary secretary whether the minister has any plans now to make an offer of assistance, to work with the provincial government in this situation?

Mr. Turner: I am sure that once the minister has had an opportunity to view the situation he will be in a better position to answer that question himself on his return.

SHIPPING

MONTREAL—FEDERAL PARTICIPATION IN STUDY OF WATER LEVEL

On the orders of the day:

[*Translation*]

Mr. Gérard Laprise (Chapleau): Mr. Speaker, I should like to direct a question to the right hon. Prime Minister. Can he tell us whether the federal government will be represented at the meeting to be held on June 30 next to study the critical situation of the water level in the port of Montreal?

[*Text*]

Right Hon. L. B. Pearson (Prime Minister): I would have to look into that question.

CANADIAN NATIONAL RAILWAYS

CHARLOTTETOWN, P.E.I.—SALE OF HOTEL

On the orders of the day:

Hon. J. A. MacLean (Queens): I should like to direct a question to the Minister of Transport and ask him whether he is now in a position to answer a question I put to him on May 25 regarding the sale of Canadian National Railways hotels, with special reference to the one in Charlottetown.

Hon. J. W. Pickersgill (Minister of Transport): I imagine the hon. gentleman knows the answer to that question already. I was advised some days ago that the hotel had been sold.

Mr. MacLean (Queens): A supplementary question to the umquhile government house leader. Are the opposition or all hon. members to assume, when a question is taken as notice and an answer promised, that the answer will not be given unless they ask the question again at a later date?

Mr. Pickersgill: Mr. Speaker, on a question of privilege might I say a word about that. All I undertook to do was to bring the question to the attention of the railway authorities. The announcement of the sale of this hotel, which was an administrative matter, was made at a time when the house was not sitting. It was made by a political friend of the hon. gentleman, the premier of Prince Edward Island. I thought it would be rather redundant to take up the scarce time of the house by repeating that announcement.

Mr. MacLean (Queens): Mr. Speaker, on the question of privilege, I should say that I for one assume that the minister makes himself aware of his responsibilities and of what is happening under the jurisdiction of his department at all times and as soon as he can. When he tells the house that he will seek the answer to a question I think we always assume that he is seeking the answer so as to make the house aware of what is the answer. I find now that we have to be more careful.

AIR CANADA

CANCELLATION OF CONNECTING FLIGHTS FROM HALIFAX AND SAINT JOHN

On the orders of the day:

Mr. Thomas M. Bell (Saint John-Albert): Mr. Speaker, I have another question for the Minister of Transport about a maritime matter on which I hope he will be better informed. Will the minister investigate and report on the many protests which have been made regarding the cancellation of certain Saint John-Halifax connecting Air Canada flights; and will the minister guarantee their restoration or give an opportunity for other regional carriers to move in?

Hon. J. W. Pickersgill (Minister of Transport): Mr. Speaker, I will be very glad indeed to make the fullest possible inquiry to get the information the hon. gentleman asks, but I know the hon. gentleman is not seriously suggesting that I should take over the operation of T.C.A. myself.

INQUIRY OF THE MINISTRY

On the orders of the day:

Mr. R. R. Southam (Moose Mountain): Mr. Speaker, I have a question of the most urgent importance to direct to the Prime Minister. From what appears to be a deliberate government policy of rooting out little by little our distinctive terms and designations which remind this nation of its past, is the Liberal party dedicated to turning this country into a republic?

Mr. Speaker: Order. This question is out of order.

NATIONAL DEFENCE

LA MACAZA, QUE.—PROTESTS AGAINST STORAGE OF NUCLEAR ARMS

On the orders of the day:

[*Translation*]

Mr. Gérard Laprise (Chapleau): Mr. Speaker, I should like to direct a question to the right hon. Prime Minister. Has he heard

about the appeal made on Saturday and Sunday near the base of La Macaza against the storing of nuclear arms?

[*Text*]

Mr. Speaker: It seems to me that this question requires a little research. Would the hon. member put it on the order paper.

QUEBEC—ADMISSION FEE TO WATCH CHANGING OF GUARD

On the orders of the day:

[*Translation*]

Mr. Gilles Grégoire (Lapointe): Mr. Speaker, I should like to direct a question to the Associate Minister of National Defence. Could he tell the house whether in some places in Canada army officials require an admission fee from spectators in order to attend the daily changing of the guard?

Hon. Lucien Cardin (Associate Minister of National Defence): Not to my knowledge, Mr. Speaker.

Mr. Grégoire: A supplementary question, Mr. Speaker. Could the Associate Minister of National Defence take some action so that the senior army officers at the Quebec citadel abolish the amount of 75 cents which is required from every tourist who wants to see the changing of the guard?

Mr. Cardin: Mr. Speaker, I shall check whether this statement is accurate.

[*Text*]

REPORT OF COMMITTEE ON REORGANIZATION OF MILITIA

On the orders of the day:

Mr. Frank Howard (Skeena): Mr. Speaker, I too should like to direct a question to the Associate Minister of National Defence. Ten days ago he told the house that one part or the first part of the Suttie committee report would perhaps be available within a week. I wonder whether he can now tell us if that report is available.

Hon. Lucien Cardin (Associate Minister of National Defence): Yes, Mr. Speaker, the first part of the Suttie commission report has been made available. I am now studying it. The second part will be made available toward the end of the month, I think. However, before making it public and before sending it to the special committee on defence it would be preferable to have both reports made public simultaneously.

[Mr. Laprise.]

CANADIAN BROADCASTING CORPORATION

REQUEST FOR SHOWING OF FILM RESPECTING PRIME MINISTER

On the orders of the day:

Mr. D. M. Fisher (Port Arthur): Mr. Speaker, I want to ask the Secretary of State whether he has yet had a reply from the C.B.C. as to any reconsideration it is giving either to showing the controversial film called "Mr. Pearson" or releasing it to other agencies who will demonstrate it to a national audience.

Hon. Maurice Lamontagne (Secretary of State): No, Mr. Speaker.

Mr. R. Gordon L. Fairweather (Royal): Mr. Speaker, last Thursday the Secretary of State told me he would answer today my question about which members of the privy council saw the restricted film; on how many occasions the Prime Minister saw it; why the C.B.C. did not broadcast the film; and whether members of parliament will have a chance to see the film. May I now have an answer, please?

Mr. Lamontagne: Mr. Speaker, this is exactly the same question as that asked by the hon. member for Port Arthur. I have not yet received an answer from the C.B.C. When I do receive it I will be very glad to give that answer to the House of Commons.

Mr. Fisher: A supplementary question. I should like to ask the minister whether the question put by the hon. member and other questions which have been put could not be answered to a considerable extent without resort to the C.B.C., since they involve his associates in the cabinet. We have never had a clear answer to that, and the Secretary of State does not need to go to the C.B.C. to get it.

SUGAR

REPORTED LOWEST PRICE SINCE JANUARY, 1963

On the orders of the day:

[*Translation*]

Mr. Albert Béchard (Bonaventure): Mr. Speaker, I should like to put a question to the Minister of Trade and Commerce. Could he tell the house whether he read a report published in *L'Action* on June 13, 1964, to the effect that the price of sugar is at its lowest level since January 24, 1963?

[*Text*]

Mr. Speaker: Would the hon. member put this question on the order paper.

CANADIAN FLAG

OFFICIAL ESTABLISHMENT OF NEW DESIGN—RETENTION FOR CERTAIN PURPOSES OF UNION JACK

On the order: Government orders:

May 28—the following proposed resolution:—

That the government be authorized to take such steps as may be necessary to establish officially as the flag of Canada a flag embodying the emblem proclaimed by His Majesty King George V on November 21, 1921—three maple leaves conjoined on one stem—in the colours red and white then designated for Canada, the red leaves occupying a field of white between vertical sections of blue on the edges of the flag and also to provide that the royal union flag, generally known as the union jack, may continue to be flown as a symbol of Canadian membership in the commonwealth of nations and our allegiance to the crown—The Prime Minister.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, before you put to the house the question which is contained in government order No. 44, I wish to raise a point of order. My point of order relates to the form in which this motion is laid before us. Initially may I draw your attention to 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.

This standing order is spelled out a little more fully in Bourinot's fourth edition at page 297—of course it is an old standing order—where he says:

If a motion be out of order, the Speaker will call attention to the irregularity, and refuse to put it to the house under the forty sixth rule. "Whenever the 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 rule or authority applicable to the case."

Consequently, if on reading the motion, he detects an irregularity, he will at once apprise the house of the fact without waiting to have a point of order raised.

It is not my contention that the resolution offered in the name of the Prime Minister is contrary to the rules of this house, but it is my contention that the form of it is contrary to the privileges of parliament; indeed, that the form of it denies an ancient right and privilege of parliament. I raise this point of order now before the debate starts at all, not insisting that there be a ruling today but because I feel that if we do not raise the point of order now we might be told later on in the debate that we were too late. As I say, it will not be a matter of concern to me if a ruling is delayed, provided such a delay does not prejudice our right to have the point considered which I wish to lay before the house.

I have said that in my view the form in which the motion is presented to us offends against an ancient right and privilege of parliament. I find this ancient right and privilege spelled out in at least six authorities, Redlich, May, Campion, Todd, Bourinot and Beauchesne. Three of these are authorities who wrote on the practices of the parliament of the United Kingdom, and the latter three are Canadian. May I, Mr. Speaker, without reading all of them draw attention to two or three of these authorities and to the way they put the point. I drew this sentence to the attention of the Prime Minister a week ago last Friday on orders of the day. It is found on page 298 of Bourinot's fourth edition:

A motion which contains two or more distinct propositions may be divided so that the sense of the house may be taken on each separately.

I should also like to draw the attention of the house to citation 200, subparagraph 4 of Beauchesne's fourth edition. I shall read it again just to make the point that it is in Beauchesne, even though it is in exactly the same words that I have just read from Bourinot. It reads:

A motion which contains two or more distinct propositions may be divided so that the sense of the house may be taken on each separately.

I mentioned Todd, the Canadian authority. He puts it this way:

If a question contains more parts than one it may be divided into two or more questions by the order or with the consent of the house.

An hon. Member: What is the reference?

Mr. Knowles: That is the reference to Todd, who wrote in about 1840 on the practices of the legislature of Upper Canada.

An hon. Member: What page?

Mr. Knowles: I am sorry, I have not the page; I will get that for you later, Mr. Speaker; the book is in the library. Likewise I would draw attention to May's thirteenth edition, page 278, where this appears:

The ancient rule that when a complicated question is proposed to the house, the house may order such question to be divided, is observed in the following manner.

I feel that having read that sentence, Mr. Speaker, I must read the ones that follow,

but I emphasize the fact that May is confirming the fact of the ancient right to have a complicated question divided into its component parts. The paragraph goes on:

> When two or more separate propositions are embodied in a motion or in an amendment, the Speaker calls the attention of the house to the circumstances; and, if objection be taken, he puts the question on such propositions separately, restricting debate to each proposition in its turn; though this course is rarely adopted, because it is generally recognized that, if a motion formed of a series of paragraphs is submitted to the house, the question should be proposed on the principal paragraph, which determines the decision of the house upon the various proposals contained in the whole motion. If the necessity should arise, separate subjects contained in a motion can be placed seriatim before the house by way of amendment.

Without reading them, Mr. Speaker, may I say that this is also discussed in Campion and it is also discussed at some length in Redlich. I do not feel it is as appropriate to read from Redlich as it is to read from the later authorities, because he belongs to ancient times and his work discusses the procedures in a day when the Speaker himself formulated and put the motions to the house based on the things that were said by members. It was out of that practice that the custom arose of the house being able to say to Mr. Speaker, "Please, sir, you put too much in the motion. It should be divided." Redlich describes this situation back in the eighteenth century, and he and Campion and May also point out that this right has been protected down through the years.

Bourinot, on the same page from which I read a moment ago, page 298, has a little more to say on the matter of complicated questions, and I think it is very helpful to us in the situation that we face at this time:

> As respects what are known as "complicated questions", they may always be divided into distinct parts, with the consent of the house. No individual member, however, can ask, as a matter of right, that such a question be divided, since the house alone can properly decide whether it is complicated or not and into how many propositions it may be divided.

I want to make it clear that I am not claiming any right as an individual; I am presenting the point that the house as a whole has the right to decide whether or not the question to be put before us today can be divided into its component parts. Let me continue reading from the same paragraph on page 298 of Bourinot's fourth edition:

> The fact is, the necessity of dividing a complicated question is now obviated by the facilities offered for moving amendments.

[Mr. Knowles.]

I notice that in this volume that passage has been underlined. I suppose somebody has quoted that on some occasion as an argument against the right I am now maintaining. But I would draw attention to the sentence that immediately follows. It reads:

> But, in any case, it is always open to a member to move formally that a question be divided.

I submit that if authorities such as those I have named, whose works span the centuries, namely Redlich, May, Campion, Todd, Bourinot and Beauchesne, all declare that it is an ancient right of parliament to have a complicated question divided, surely this is an occasion when we as a House of Commons should be allowed to exercise that right.

May I point out, Mr. Speaker, that this right which has been asserted over the decades—indeed, over the centuries—is obviously rooted in common sense. It does not make sense to ask a deliberative assembly to cast one vote on a question which contains two distinct propositions. I shall refrain from getting into anything that can be called a debate on the motion the Prime Minister is about to move, but may I use today's proposal as a clear example of what common sense calls for. There are members in this house who favour part (a) of the resolution but are opposed to part (b), yet among those members who take that position some have declared they will vote for the combined motion and some have declared they will vote against it.

Likewise there are members of this house who favour part (b) and are opposed to part (a). Some of those members have declared they will vote for the combined motion and some have declared they will vote against it. In other words, Mr. Speaker, it is utterly impossible, in view of the way in which the motion has been put before us, for the house to give a clear and meaningful vote on this question.

I want to make it very clear that I raise this question not out of any personal or party interest, not with respect to the interests of my party or with respect to the interests of any other party in this house. I raise it because I feel that on this important question of a flag for Canada we in parliament owe it to the Canadian people to see to it that under our rules and procedures we come to a clearcut decision.

So far as I personally am concerned I favour both parts of the motion now before us. I would like to see the first part modified, as everybody knows, but I favour both parts

whether they are put before us separately or whether they are put before us together. In other words I am not raising this matter out of any personal concern, and the position I take is the position taken by most of my colleagues. But because I feel it would be unfair to Canada for parliament to take an unclear decision—because that is what would result if we had a vote on these two propositions at one and the same time—I feel that the ancient right of parliament spelled out so well by Redlich, May, Campion, Todd, Bourinot and Beauchesne should be respected on this important occasion.

Anyone who has studied the authorities on procedure at all knows that things that can seem to be very clear can be confused by something else. I have no doubt, from the question I put to the Prime Minister a week ago last Friday, that others have been studying this question as well, and no doubt attention has been drawn to our standing order 44 which seems to stand in the way of the ancient right which I am now claiming for parliament as a whole. Standing order 44 provides as follows:

> When a question is under debate no motion is received unless to amend it; to postpone it to a day certain; for the previous question; for reading the orders of the day; for proceeding to another order; to adjourn the debate; or for the adjournment of the house.

We are governed by our standing orders. Standing order 44 is pretty clear. It says that when a motion is under debate there are only certain kinds of motions that can be made, and that standing order does not list a motion for the dividing of a complicated question as a motion that can be moved in such a circumstance. Therefore, Mr. Speaker, initially we do seem to be in some difficulty. We have an ancient right given to us across the centuries, but our own standing order 44 seems to stand in the way of our exercising that right. But because we have this ancient right, because it makes common sense, because acting upon it seems to be the thing we should be doing for Canada in the course of this debate, I think we should find a way of exercising that ancient right if it is at all possible.

One of the authorities I read a moment ago said that the practice of dividing a motion has been obviated by the right we now have to move an amendment. That will not do in this case. An amendment could not divide the question. There could be an amendment to cut out part (a) or part (b), but the effect of that would be only to confirm or defeat one part. It would not give us a chance to vote on the two propositions separately. Likewise I do not see how we could revert to motions and bring in a question that would deal with the matter. It would require unanimous consent, and I do not look for unanimous consent to be given very often during the course of the debate on the flag.

Therefore, Mr. Speaker, it seems to me that what we have to find is a procedural motion of a kind that can be made while the debate on the flag is in progress. One other course would be for Your Honour just to rule, as a Speaker did 81 years ago, that the motion should be split, or as Speakers used to rule in the parliament of Westminster. That is one possibility, but in case you feel that that is too much for you to take on your shoulders I suggest that the house has to find a way to bring in a procedural motion that can be moved while the debate is in progress and that will have the effect of splitting the main motion into two parts. If there is such a procedural motion there is no doubt that it can be moved.

Mr. Bell: How about the government?

Mr. Knowles: I have not yet said who might do it. As a matter of fact the hon. member for Saint John-Albert is anticipating my remarks. I intend to suggest that another minister, another member of the government, the Leader of the Opposition or anyone can move such a motion. The point is that I think it ought to be moved, and my reason for raising the point of order now is in the hope that we can get a ruling from the Chair that such a course of procedure would be possible as a means of resolving the situation.

May I point out that if it is agreed that a motion can be made to divide the question into two parts, that motion could be debated and could be voted on, and the house itself would thus make the decision whether or not the question should be divided. In the house itself making the decision—by a free vote, I would hope—there is no question but that we would be in line with what all the authorities have said, namely that it is an ancient right to have a question divided, and that although one member cannot demand it as a personal right, the house itself can make such an order.

I had reached the point where I was suggesting that what is necessary, unless somebody can come up with a better way, is a procedural motion of a kind that would be in order. I draw the attention of the house to citation 195 in Beauchesne, fourth edition,

found on page 165. I am going to read the first paragraph. It is not particularly relevant but it is close to the question. It reads:

> A substantive motion is a self-contained proposal not incidental to any proceeding, amendable and drafted in such a way as to be capable of expressing a decision of the house.

What we will have before us in the name of the Prime Minister is a substantive motion. But the next paragraph is germane to the problem I have raised. It reads as follows:

> Privileged motions, which must not be mistaken for questions of privilege, deal with situations arising from the subject matter of, or the debate on, the original question either in consequence or in anticipation of a vote or through the necessity of resorting to new proceedings.

That is exactly the kind of motion we would need in the course of this debate unless, as I say, some other way is found to deal with the matter. We will need a vote on a matter that will arise in anticipation of the vote. I draw hon. members' attention to the next two sentences in the citation with regard to what happens when motions of this kind are made:

> They must be given the right of way when proposed during a debate. They are divided into superseding motions and amendments.

The various kinds of such motions are then indicated. So what we have reached at this point, Mr. Speaker, is that it is possible, despite standing order 44 which seems to say that nothing of this kind can be done, to bring in a motion during the course of the debate—some member of the cabinet or anybody else in the house can do it—which would be in order, which would not require notice, which would not require unanimous consent, and on the basis of which by a free vote the house itself would make the decision.

One of the kinds of motions referred to on page 195—as well as in several other places—that can be made under that heading is a motion for reading the orders of the day. I suppose many members have seen that phrase in our rule book a number of times, "reading the orders of the day", and have wondered, as I have, what it meant. The authorities are not extremely helpful, but it is interesting to go back to a precedent. In this connection I went back, proceeding from a footnote in Bourinot, to the session of 1883. On March 16 of that year a very interesting proceeding took place in the House of Commons. Sir John A. Macdonald was prime minister at the time.

Some hon. Members: Hear, hear.

[Mr. Knowles.]

Mr. Knowles: I paused for a moment so that applause could be noted because I agree with what Sir John A. Macdonald did on that occasion. I hope his supporters will take the same position and, since he was speaking from the government side, I hope the government will take that position as well.

The reason I looked up this debate on March 16, 1883, was that Bourinot referred to it as an occasion when a motion that had two distinct propositions was split. It is an interesting motion and was to the effect that a paragraph out of the speech from the throne, a paragraph that had to do with the sale of liquor, should be referred to a special committee and that, notwithstanding a certain standing order, that special committee should be composed of certain members. This motion to refer a paragraph to the committee and that the committee should consist of certain members was split into two parts.

The Liberal opposition of the day, the spokesman for which on that occasion was Hon. Edward Blake, objected to what was being done. The Speaker of the day, in very clear words, simply said that the motion could be divided. This reference will be found at page 253 of *Hansard* for March 16, 1883. The reason for the desire to divide the motion was that the propositions were distinctly separate. One was the idea to set up a committee to deal with the sale of liquor; the other was the question as to who should be on the committee. Apparently there were many members of the Liberal party who did not want to be members of the committee, and a furor developed. At any rate, the motion was divided into two distinct parts and they were voted upon separately; in fact there was a recorded division in both cases.

This is an example, Mr. Speaker, of where research into past procedures is sometimes more rewarding than one expects. Oddly enough, when one studies the incident that took place on March 16, 1883 one finds something that will help us today. It is not only that a complicated motion can be divided, that Mr. Speaker made the ruling that it could be divided, but the point that is really interesting is how they got to the motion at all on March 16, 1883. It referred to a paragraph in the speech from the throne. The speech from the throne had already been debated and the address thanking His Excellency for it had already been passed. During the course of that debate, however, there had been considerable discussion about this paragraph relating to the sale of intoxicating liquor, and there was a desire generally

expressed to deal with it separately. There we have the same question; how do you deal separately with something that is included in something else?

It is in the record, and I invite members to look either at *Hansard* for 1883, which I have here, or the *Journals* for 1883. They will find that on that date, March 16, 1881 they got at it in this way. Sir John A. Macdonald, the prime minister of the day, made a motion that the orders of the day be read, and specifically that the paragraph from the speech from the throne relating to the sale of intoxicating liquors be read at the table. Both *Hansard* and the *Journals* indicate that this paragraph was read at the table by the Clerk of the house. When the paragraph had been read at the table of the house Sir John A. Macdonald, on the basis of its having been read, moved that it be referred to the proposed committee as I have already indicated. The motion was debatable and it was debated at great length, Sir John A. Macdonald and Hon. Edward Blake being the main contenders. Thus the matter was resolved.

I submit that unless somebody can find a better way of doing it we have, in this precedent, an answer to our problem. Standing order 44 says that when a question is under debate there are only certain kinds of motions that can be moved, and one of them is the motion to read the orders of the day. Such a motion could be moved by any member who can get the floor in the course of the debate, be he a cabinet minister, a Liberal backbencher, a member of the official opposition, or any other member. This motion having been made, if it passed then the Clerk, according to precedent, would be called upon to read at the table the orders of the day. We could dispense with all the rest but order 44, but once he had read order 44, the motion that the Clerk Assistant read just a moment ago, I submit that on the basis of what happened on March 16, 1883, it would then be in order for a member of the house—I think it should be done by a cabinet minister but it would be in order for any member of the house—to move that the question which had then been read by the Clerk at the table be divided into its two parts for the purpose of taking a vote.

If hon. members think this is a bit novel, then I say it is a novel situation to be deciding upon a flag for the people of Canada. Parliament has never dealt with this situation before, and the decision we take may last for a long time. It seems to me that in these circumstances we owe it to ourselves, but even more may I say that we owe it to the people of Canada, to try to find in our procedures a way of making this decision in a most clearcut fashion, a way of arriving at a vote that will be meaningful. As I say, Mr. Speaker, you in your research may have found some other way which seems better, and if so that is fine with me; but if no other way has been found, I suggest consideration be given to the proposals I have made.

If I may sum up, I hope I have shown by reference to the six authorities from whom I have quoted that the right to divide a complicated question is an ancient one that parliament is entitled to have observed on this occasion. I have already shown that under our standing orders there are difficulties. But I have shown by reference to what happened in 1883 that these difficulties can be overcome. I hope Your Honour will at least be prepared today, if you are not able to give a final ruling, to say that this matter is one with which the house can deal at some point in the debate that is about to commence. It is immaterial to me whether the division is made so we can debate the propositions separately or whether it is made just before the vote is taken. It seems to me that one debate ought to be enough, but I will leave that to Your Honour and to the house. Whether or not we do have separate debates, I do insist that to have a clear, meaningful decision we should have two separate votes.

I hope, therefore, that this parliament will show its respect for the things that have come down to us across the centuries by assuring in this debate the right to have separate votes, and that Your Honour will stand with those who in the past have contended that this is one of parliament's undoubted rights.

Mr. Speaker: Are there any other hon. gentlemen who care to make remarks on this point?

Hon. Gordon Churchill (Winnipeg South Centre): I would defer to anyone on the government side if he wished to deal with this matter. I have certain remarks I should like to make, but since this is a government motion I thought they would be the first to insist that it remain as it is. It represents the policy of the government, carefully considered, and the motion is carefully drawn with the two ideas put into one motion for a definite purpose. I am sure they would not want to see any change in that motion

so prematurely. However, if no one from the other side is willing to speak I should like to deal with the procedure put before us by the hon. member for Winnipeg North Centre.

I wondered at this, Mr. Speaker, when everybody here was eager to hear the presentation of the Prime Minister. The hon. member for Winnipeg North Centre has taken 30 minutes to put forward a rather odd suggestion which he has advanced in various devious ways, and is asking Your Honour to reach a conclusion. Before you do that, sir, I certainly think you should hear from others who have also given some consideration to this point. You might want to look back at another reference, Hatsell in 1770, who first dealt with the matter.

I was surprised that the hon. member for Winnipeg North Centre placed his reliance on our standing order 50 which reads:

> 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—

I fail to see where any of the rights and privileges of parliament are abrogated by the introduction of the resolution that is before us, and I do not see that the Speaker is called upon immediately to examine this and take some action. In fact the hon. member did not give any reference to any incidents when the Speaker had intervened under such circumstances, and certainly he was unable to point out that this offended against any ancient right or privilege of parliament, although he used that expression.

The hon. member is quite right in giving us the references he did, with the one omission I have mentioned, and in the parliament at Westminster there has been in effect a method by which, from time to time, motions may be divided. Although our reference books, Beauchesne and Bourinot, refer to this they do not give satisfactory examples from Canadian practice, and in fact Beauchesne rather skims over the whole thing without any substantial reference whatsoever. So you have to go to May for the references. I wonder why the hon. member for Winnipeg North Centre quoted the thirteenth edition of May when we have, and have had for a number of years, the sixteenth edition available. Why does he not get up to date when dealing with a volume as important as May, which has been available in its sixteenth edition for a number of years?

Mr. Speaker, I would like to draw your attention to a number of references which I am prepared to give where, in the British House of Commons, certain motions are divided; but before doing that may I draw your attention to the fact that there are occasions when motions are not subject to division in the British house, and this should have been drawn to your attention by the hon. member who preceded me. In May's sixteenth edition on page 607 you will find this sentence in the middle of the page:

> The practice of the house by which a motion or amendment embodying several propositions is divided by the Chair if objection is taken to it on that account, so that questions may be put on each proposition separately, is not followed in committee of the whole house.

So you have that restriction on this division of motions in British practice, and then you have a further restriction. I give the reference. In 1928, as recorded in the parliamentary debates for the United Kingdom, volume 217, column 678, a member of the house requested the division of a motion which was then before the house dealing with the sittings of the house. The hon. member asked if there would be two votes on this particular motion and Mr. Speaker replied:

> No, only one. The business specified under the standing order may include two or more bills and sometimes it includes some other government business.

I draw these two examples to your attention, sir, so you may be clear on the fact that the practice of dividing motions is not carried throughout the business of the house. It only pertains under certain circumstances.

The circumstances under which it may be done can be drawn from a number of references in the British House of Commons running from 1888 to 1928. There are not many references, half a dozen, and in each instance the motions were divided on the request of an hon. member. That is the way they do it there, and the motions that were divided were dealing with matters very distinct one from the other.

The first example I cite, on April 19, 1888, volume 324, page 1828, had to do with a motion which embodied in its first part mention of the earning of grants for cookery, in connection with a bill dealing with education in Scotland, and in the second part it dealt with grants for drawing in reckoning the total of 17s. 6d. per scholar in average attendance. These were two very separate and distinct propositions, and the Speaker said he had no objection to taking them separately. As a matter of fact the motion was not proceeded with; it was withdrawn.

The second example, and this is one of considerable importance, is on July 17, 1905, page 897 in the same reference volume. There was a resolution before the house which the Speaker had been asked to look at. He did look at it and he said:

—the resolution ought to be divided into at least eight, and probably nine, resolutions.

The substance of that was that Mr. Balfour, the proposer of the motion, withdrew it and said he would bring it back again in the form of a bill.

The third example is on November 13, 1912, volume 43 of the fifth series of that year, where you will find a lengthy discussion with regard to a division of a motion before the house, which is worthy of your attention because I think this one rather sets the pattern. The motion before the house at that time dealt with an amendment for the suspension of the standing orders of the house and a recasting of a guillotine resolution, that is allocation of time; and, most important, for the rescinding of an amendment passed by the house a few days earlier.

The Speaker decided that so far as he was concerned the suspension of the standing orders was immaterial, it was the type of thing introduced into many motions. But he said there were two propositions before the house, one being the rescission of an amendment—this is a most unusual practice indeed, to reverse a decision made earlier by the house—and the second proposition was to remodify the timetable which had been passed by the house two weeks earlier. He said in effect that that motion might be divided, and they would deal separately with the really important question, the rescinding of the amendment. So he cut the question into two parts.

The last reference I would give is in 1920, volume 131, column 2606. There was a motion before the house asking for the suspension of the eleven o'clock rule, and at the same time asking that business other than supply might be taken on a supply day. The Speaker agreed that the motion might very well be taken into two parts. The question affecting the suspension of the eleven o'clock rule might have meant an all-night sitting and was an important question to be decided by the house. The second part of the motion dealt with something entirely different, namely the taking of business other than supply on a day set aside for supply. There was no resemblance between the two propositions put forward in the motion.

This, in addition to the examples quoted by the hon. member for Winnipeg North Centre, represents very largely, if not completely, the examples Your Honour will be able to find in the various reference books. So it is quite clear that in the first instance the division of a motion before the house is not often made. It occurs when two distinct and opposing points of view are presented in one motion, and in such cases the Speaker, for the convenience of the house, makes the division. In some of the examples I have given the motions were withdrawn because of the objections raised and something else was substituted.

Now may I deal with the somewhat dubious method by which the hon. member for Winnipeg North Centre wants to get around standing order 44. I think Your Honour will have to give most serious consideration to this proposition about reading the orders of the day on some subsequent day and then, at that stage, considering a superseding motion. I would want to examine the record very carefully myself in that regard, but I doubt whether on the basis of the example given to us this morning by the hon. member for Winnipeg North Centre it would be sound or safe for such a rule to be established here. I think, Mr. Speaker, you must be looking ahead to the business of the house in the future. The adoption of such a suggestion would result in the establishment of a precedent for the future, and all the ramifications which would follow from such a precedent should be carefully examined. Standing order 44, without repeating it in full, certainly says that no motion can be received when a question is before the house except to amend it, postpone it, and so on; and after reading the citation I am not sure that the hon. member for Winnipeg North Centre is giving a correct interpretation of what happened in 1833. However, that is for Your Honour to look at. Even in the motion to which the hon. member drew our attention, two very separate matters were brought to the attention of the house. One involved the setting up of a committee to consider the sale of liquor, and the other asked the house to consider the names of the people who should be appointed to that committee. It is obvious that those two matters could easily be dealt with separately.

I conclude simply by saying that the examples I have been able to draw to Your Honour's attention are so far removed from the motion before us that I doubt very much

if you could give them serious consideration in relation to what the hon. member for Winnipeg North Centre has said. The motion which is before us amounts to the setting out of a principle, an exposition of the policy of the government, and the two ideas are so closely related that I think they must be considered as a whole. I will leave the matter at that point.

Right Hon. J. G. Diefenbaker (Leader of the Opposition): The references to which allusions have been made by my hon. friend are, of course, known to hon. members of the house. I wish to draw Your Honour's attention to this, that these authorities all advise to the effect that where a resolution contains different propositions, consideration can be given to dividing it within the limitations referred to by my hon. friend from Winnipeg South Centre.

But what is the proposition here? The government introduces a resolution. The contention now is that this resolution, which must have taken a great deal of thought and consideration on the part of the government, does infringe on ancient rights, rules and privileges of parliament. This places a Speaker in a very difficult position. It may well be that the government now finds itself in a position where it would like to see a division of the resolution which it has itself created. It may very well be that. But let us read the proposition. It is this:

> That the government be authorized to take such steps as may be necessary to establish officially as the flag of Canada—

Here it goes on to describe the three maple leaf flag.

> —and also to provide that the royal union flag, generally known as the union jack, may continue to be flown as a symbol of Canadian membership—

And so on. How does one divide that? Does one divide it by leaving out "and" and "also"? You cannot divide this proposition. This is an entire proposition. This was the government's policy. This is what the Prime Minister told Mr. Smallwood, the premier of Newfoundland, in the telegram which was tabled here. It is not a question of a resolution being produced which ignores the rights and interferes with the privileges of parliament. This is something which represents the carrying out of a promise by the government.

No doubt the government now finds itself in a somewhat invidious position. Did not Premier Smallwood himself, following receipt of the telegram in question, interpret that telegram and interpret the conversation he had with the Prime Minister in the legislature of Newfoundland? At any rate the premier announced during a session of the legislature that he had received an assurance from the Prime Minister. The Prime Minister, replying to a telegram from Premier Smallwood, said:

> There is no question of the federal government's intention to recommend that both the union jack and Canada's proposed new flag be proclaimed by the Queen.

Premier Smallwood had asked for an explanation of the course to be followed by the government if the motion were adopted to authorize the government to provide that the royal union flag, generally known as the union jack, may continue to be flown as a symbol of Canadian membership in the commonwealth of nations, and so on. Premier Smallwood had asked for an explanation of the course to be followed by the federal government. He wanted to know what would happen. He went even further. He said the Minister of Transport was in London on Thursday to see Her Majesty the Queen on the flag issue. He said he had been informed of this by the Prime Minister. This, he said, was an honour to Newfoundland.

Now the government stand on a certain resolution they placed before parliament. It may be that they find it a little difficult. I am sure there would be no co-operation or discussion between the government and the hon. member who proposes the course we are considering, but if there was not the hon. member is a mind reader of the first rank; he knows the position in which the government now finds itself in having this resolution in its present form.

Mr. Pearson: I rise on a point of order. The right hon. gentleman is surely dealing now with substantive matters, not just the point which is before the house; but since he is doing so, and referring to what he considers to be the policy of the government in this matter, may I point out to him and to the house that the government has no intention of moving that this resolution be divided.

Some hon. Members: Hear, hear.

Mr. Diefenbaker: All right. I am happy to have that assurance, which means that the Prime Minister of this country says that the resolution does not contravene the ancient rights and privileges of parliament. I agree with him in that regard; it does not. That being so, Mr. Speaker, you are now to be placed in the position where one member of

the house raises a question and the government, represented by the Prime Minister, and myself speaking for the opposition—

Mr. Grégoire: No, not for us.

Mr. Diefenbaker: —for the official opposition. There is really only one opposition, but I am speaking for the official opposition.

Mr. Grégoire: On a point of order, Mr. Speaker.

Mr. Diefenbaker: If the hon. gentleman would wait—

Mr. Grégoire: On a point of order, I should like to ask the hon. member for Prince Albert (Mr. Diefenbaker) if he considers only himself a member of the official opposition. Are there not others also in the opposition?

Mr. Speaker: Order, please. We are dealing with one point of order, and the Leader of the Opposition was speaking to that point of order.

Mr. Diefenbaker: Mr. Speaker, now that I have the official approval of the Prime Minister that, in his considered opinion, with which I agree, this resolution does not constitute any invasion of the ancient rights and privileges of parliament, or he would never have brought such a motion before the house, may I say this was the agreement that was made between Premier Smallwood and the Prime Minister according to the telegram which was filed. Therefore, I say that you, Mr. Speaker, are placed in the position where, if you were to determine upon and were to direct the breaking up of this resolution and separating the two parts, you would be so doing contrary to the rule that separation is allowed only where there are two distinct propositions. In this case there are not. The words provide, first, for a three maple leaf flag—and there can be no division in that—and also for the royal union flag. If you were to rule that the government have produced a resolution which consists not of one proposition, and a distinct one, but of a conjoined or conjuctive proposition—"and also" —you would, as I see it, be acting contrary to the rules. I cannot thank the Prime Minister too much for having risen and, with that certainty permitted of him by his position, telling the house that he does not intend to separate this resolution. Would he not want to if it did infringe the rights of parliament, because he is here to uphold them?

Under all the circumstances, Mr. Speaker, I ask you not to uphold the suggestion put forward in the point of order raised by the hon. member for Winnipeg North Centre. To do so would be contrary to the rules and would put you in the position where you would have to interpret what was in the minds of the government. Separation takes place only when there are distinct propositions put forward. In this case the undertaking was—if there are any notes to be handed around I should like to get them myself—to bring before the house a joint resolution. May I point that out once more, because it has happened several times and I do not wish to refer to it again.

Mr. Speaker: May I just clear up one slight misunderstanding at the moment. Surely the Chair has the right to consult with his Clerk.

Mr. Martin (Essex East): Of course.

Mr. Diefenbaker: Mr. Speaker, there was no consultation on Your Honour's part a moment ago. This has happened several times when during the course of argument notes have passed to you. That is not consultation; that is giving advice without consultation.

Mr. Pearson: How disgusting.

Mr. H. A. Olson (Medicine Hat): Mr. Speaker, I want to speak only briefly on the proposition which has been put forward to the house this afternoon by the hon. member for Winnipeg North Centre (Mr. Knowles). In his opening remarks I think he laid the situation fairly clearly before the house when he said that the resolution which is now before parliament is not contrary to the rules, but may contravene some privilege of the house. If you look, Mr. Speaker, at the resolutions which are on the order paper for today, it is possible to find a number of resolutions which do contain more than one proposition notwithstanding that they deal with the same subject. Item No. 44 in my opinion certainly does propose two separate matters to the House of Commons, but surely both deal with the same subject, namely a Canadian flag, or two flags.

I think this resolution is somewhat different from others which are on the order paper today, because I believe there will be no bill following this resolution to which members of the house would be able to move amendments. Nevertheless, notwithstanding what is contained in government order 44, if there are members of the house who feel they are unable to vote either in favour of or against the whole resolution, they have the option open to them to move an amendment

to delete part of the resolution which is before them. That opportunity is open to all hon. members no matter what the item of business before them, particularly resolutions to be followed by a bill. Hon. members have the opportunity to amend each of the clauses of any bill presented to the committee of the whole.

Therefore, Mr. Speaker, I think that perhaps you have the prerogative, when this motion is moved, to ask for the consent of the house, if the house so desires, to deal separately with the two matters raised by the resolution. There is also the option open to any hon. member, as the hon. member for Winnipeg North Centre said, to move that the resolution be divided, and at that time it would be easy for you to take the sense of the house as to whether the house wants to do that.

I am not going to go into all the citations brought to the attention of the house both by the hon. member for Winnipeg North Centre and the hon. member for Winnipeg South Centre (Mr. Churchill). It seems to me there is abundant precedent for putting before the house a motion which includes propositions like the two contained in the motion before us at the moment.

[*Translation*]

Mr. Gilles Grégoire (Lapointe): Mr. Speaker, the hon. member for Winnipeg North Centre (Mr. Knowles) referred to the year 1883 and the hon. member for Winnipeg South Centre (Mr. Churchill) quoted excerpts going back to 1770. For my part, I would like to go back to the year 292 B.C., when the Athenian Alcibiades came before the first democratic parliament in the world, the Athenian areopagus, and proposed, in a single resolution, that the Athenian parliament simultaneously declare war against Sparta, the Peloponnessus and Sicily.

The Greek areopagites, in their great wisdom, then thought that they should divide the motion, so as to declare war against Sparta and the Peloponnessus, but not Sicily. Mr. Speaker, this happened in the year 292 B.C. This means that the most ancient rights of the people's representatives do not go back only to the 16th and 18th centuries, but to the 3rd century B.C.

Mr. Speaker, the most ancient right enjoyed by a member of parliament who is called upon to cast his vote, is to do so—as the hon. member for Winnipeg North Centre said a few moments ago, quoting many authorities in support of his argument—on a resolution which is in no way complex, but simple, so that he may express his opinion and say fully and completely what is on his mind.

Now, this is not the case of the resolution before us today. This resolution is complex to the point of creating a dilemma for several members of the house, and I can easily illustrate this with an example.

Suppose that the resolution would include a first distinctive flag, with three maple leaves, and a second one which would be the French tricolour, for instance, to recall the origin of the first citizens of this country. I am convinced then, that many hon. members would have been prepared to vote for the three maple leaves, but not for the French tricolour—and I would have been the first one—because we want no tie with any country. The Prime Minister himself, in such a case, would have had, for all practical purposes, to vote against that resolution.

Now, Mr. Speaker, many members of this house face the same dilemma. Therefore, it shows beyond any doubt that the resolution as presented to us is a complex, and not a simple one.

Further, that resolution is not a simple one, because it calls for a single vote on two conflicting matters. On the first one, we express our Canadianism and on the second one, we express our allegiance to another country and that, through one single vote on the same resolution.

That goes to show how complex is the said resolution.

Far be it from me to dwell on the matter endlessly, but the complexity of the resolution now being brought before us seems obvious enough to me. As the hon. member for Winnipeg North Centre said, it is up to the house to find a way to divide the resolution. In my opinion, that is very simple. It is up to the Prime Minister himself to divide it. He has stated that he does not want to do it, but I must tell him that when he went to Winnipeg to make his speech, he gained the respect of everybody in Canada. He showed he had a lot of guts. He faced a somewhat hostile crowd, but he won the respect and approval of all the young Canadian people for the courage he showed on that occasion.

Even though he stated on several occasions today that he refused to divide his motion, that is, to back-track when necessary, as he has already done, this is not characteristic of someone unable to make up his mind, but rather of someone who can appreciate the good points of a solution.

I appeal personally to the Prime Minister so that he himself will introduce a motion to divide this resolution in two parts, which would prevent any conflict or split and enable hon. members to vote according to their conscience. In addition, this would remove the dilemma in which the resolution places them today.

In view of the circumstances, I feel it is the duty of the Prime Minister of Canada today to divide the motion so as to give satisfaction to a large number of members who are anxious to vote in favour of a distinctive national flag but who object to any allegiance to another country. It is the Prime Minister's duty to enable those members to vote for a distinctive national flag. We cannot support the motion as it stands at present. That is why the Prime Minister must make it possible for us, representatives of the province of Quebec who wish to drop any allegiance to another country, to vote in favour of a distinctive national flag.

That is why I call upon the Prime Minister personally to allow us to vote not only once on the two flags, but twice: once for the national distinctive flag and the second time for a symbol of allegiance to another country.

[*Text*]

Mr. G. W. Baldwin (Peace River): Mr. Speaker, I have just a very brief contribution to make to this discussion. I have listened to the very interesting and ingenious argument of the hon. member for Winnipeg North Centre (Mr. Knowles), but it seems to me he is met with one fatal obstacle. He has attempted to stick-handle around it, but it is still there. I refer to standing order 44, which is in simple, definite, precise, unambiguous words:

> When a question is under debate no motion is received unless to amend it; to postpone it to a day certain; for the previous question; for reading the orders of the day; for proceeding to another order; to adjourn the debate; or for the adjournment of the house.

I call to Your Honour's attention that right at the beginning of the standing order it says the date when this rule apparently came into effect, was either promulgated or amended to its present form, was July 10, 1906. I think the standing orders of this house, like any statute, are designed to meet certain situations and I have not any doubt that the very interesting case and precedent cited by the hon. member for Winnipeg North Centre and other similar cases might well have been part of the reasoning behind the appearance of this particular rule in its present form.

If the hon. member, or any other hon. member, can produce any Canadian citation or precedent indicating that subsequent to July 10, 1906 there has been a case where a resolution has been divided, despite the provisions of standing order 44, then Your Honour would be met with a different situation. But the only citations mentioned, as I understood the hon. member for Winnipeg North Centre, subsequent to this date were English citations. There is no indication before Your Honour that there is an English rule comparable to this. I submit that on the basis of standing order 44, the very clear and precise wording of this rule, and the fact that the only citations which have been mentioned are those prior to this date, Your Honour is in the position that he must follow this rule. This is the rule laid down by the house for the guidance of Speakers and of the house in the future. I must fall in with what the hon. member for Lapointe (Mr. Grégoire) has said, that barring the decision by the government to bring forward a new resolution or two new resolutions we are bound by the resolution as it stands, as Your Honour is bound by the provisions of standing order 44.

Mr. Knowles: Mr. Speaker, may I ask the hon. member for Peace River a question before he sits down? Is he not aware of the fact that I proposed that we follow standing order 44, by having a motion to read the orders of the day and carrying on with the kind of procedure that was used by Sir John A. Macdonald?

Mr. Baldwin: I would submit, Mr. Speaker, with all deference, that the hon. member is simply begging the question there.

Mr. Speaker: Are there any other hon. gentlemen who wish to speak on the point of order? I am sure it will come as no distinct surprise to all hon. members that I, too, have done a little homework in the last few days; in fact, considerable research. Along with my advisers I have given this matter as much consideration as was possible and I have reached an opinion which I think it my duty to give to the house.

Our standing orders do not specifically provide for the dividing of a complicated question. However, such Canadian authors as Bourinot and Beauchesne, and such British authors as May, do recognize such a proceeding. May, at pages 411 and 412 of his 16th edition, states:

Point of Order

The ancient rule that when a complicated question is proposed to the house, the house may order such question to be divided, has been variously interpreted at different periods. Originally the division of such a question appears to have required an order of the house, and in 1770 a motion "That it is the rule of this house, that a complicated question which prevents any member from giving his free assent or dissent to any part thereof ought, if required, to be divided", was negatived on a division.

As late as 1883 it was generally held that an individual member had no right to insist upon the division of a complicated question. In 1888, however, the Speaker ruled that two propositions which were then before the house in one motion could be taken separately if any member objected to their being taken together. Although this rule does not appear to have been based on any previous decision, it has since remained unchallenged.

Then follows the sentence that the hon. member for Winnipeg South Centre read, if I am not mistaken.

The house does not recognize the right of individual members to insist on the division of motions moved in committee of the whole house, or of motions giving specal facilities for the transaction of public business—

It would appear from the foregoing that in accordance with recent practice in the British house, that is, since 1888, the decision whether a question is to be divided rests with the Speaker.

May I give to the house a summary of recent proceedings in the British house with regard to the division of complicated questions which I have found recorded in their parliamentary debates. On April 19, 1888, column 1,828, Mr. Speaker said:

It may be for the convenience of the house that the hon. gentleman's two propositions should be put together, but if any hon. gentleman objects to their being taken together, they will be put separately.

July 17, 1905, columns 897 and 898:

A member raised a point of order asking the Speaker to rule as to whether when a resolution contains various different propositions it should not be divided and each put separately. It will be seen that the Speaker decided that, in his opinion, it should be divided.

October 8, 1912, column 161:

Mr. Speaker: —If the noble lord finds himself in any doubt as to how to vote upon it I shall be very glad to put it as two questions.

November 13, 1912, columns 1,994 and 1,995:

Mr. Speaker: —the rule, of course, is that if any hon. member feels embarrassed in voting upon a resolution, that the Chair shall divide the resolution, in order that the member may, if he wishes to vote "Aye" on the one part and "No" on the other, not be embarrassed by having to vote "Aye" or "No" on the whole of it.

[Mr. Speaker.]

July 15, 1920, column 2,606:

At the request of a member who asked for a ruling with regard to a motion in the name of the leader of the house which he contended consisted of two questions, the Speaker is reported as saying:

If it will suit the hon. and gallant gentleman, I will put the question in two parts.

May 14, 1928, column 678:

A motion having been made and a question proposed "That the proceedings on the currency and bank notes bill and on the bankers (Northern Ireland) bill be exempted, at this day's sitting, from the provisions of the standing order (sittings of the house)", a member raised a point of order submitting that there were two questions involved in the motion and asked whether two divisions or only one division would be taken. The Speaker decided not to divide the motion on the ground that the business specified under the standing order could include two or more bills, and sometimes it includes some other government business.

This reference will serve to indicate, at least in my opinion, that the speaker in the British house has a right of discretion in such matters.

In Canada, on the other hand, Bourinot, at page 298 of his fourth edition, states in part as follows:

As respects what are known as "complicated questions", they may always be divided into distinct parts, with the consent of the house. No individual member, however, can ask, as a matter of right, that such a question be divided, since the house alone can properly decide whether it is complicated or not and into how many propositions it may be divided. The fact is, the necessity of dividing a complicated question is now obviated by the facilities offered for moving amendments. But, in any case, it is always open to a member to move formally that a question be divided.

A motion which contains two or more distinct propositions may be divided so that the sense of the house may be taken on each separately.

The footnote to the foregoing commentary indicates that Bourinot's comments are based on a proceeding which occurred in the British house in 1770 which, however, it should be noted, refers to the ancient practice in the British house.

In the same regard paragraph 4 of citation 200 of Beauchesne's fourth edition reads as follows:

A motion which contains two or more distinct propositions may be divided so that the sense of the house may be taken on each separately.

While this citation is a reiteration, in part, of what has been stated by Bourinot, no indi-

cation is given as to the procedure to be followed in making any such division.

May I at this time thank all those hon. members who have made such a valuable contribution to our discussion this afternoon on what is a very difficult problem. The Chair very much appreciates having the benefit of their experience and knowledge. I have looked into our records and have failed to find any case which establishes a clear and proper procedure on the matter. It is true that there are to be found instructions to committees to divide bills, or to introduce more than one bill based on a single resolution adopted in committee of the whole; but such instances, in my view, are different from and not applicable to the present situation.

I have considered other cases which might have some bearing on this question, in particular the procedure followed in 1947 and 1948 when a motion was divided in our house, and I might perhaps be permitted to deal more in detail with that instance, which seems to be the nearest to the problem confronting us today.

On Wednesday, December 10, 1947, when a motion to approve a general agreement on tariffs and trade, together with a complementary agreement with the United Kingdom was being considered, an amendment was proposed thereto as follows:

> That the said resolution be not now proceeded with, but that the same be referred to the committee of the whole house with instructions to divide the subject matter thereof into two resolutions, one relating to "the general agreement on tariffs and trade, including the protocol of provisional application thereof, annexed to the final act of the second session of the preparatory committee of the United Nations conference on trade and employment held at Geneva from April 10 to October 30, 1947, together with the complementary agreements of October 30, 1947, between Canada and the United States of America," and the other resolution relating to "the complementary agreement of the same date (April 30, 1947) between Canada and the United Kingdom."

It is suggested that this amendment was irregular in that "it is not an amendment to a motion to move that the question go to a committee". In this connection see citation 202, subsection 6, Beauchesne, fourth edition.

At any rate, when this debate was resumed on March 10, 1948, a subamendment was proposed in the following words:

> That the amendment be amended,—
>
> (b) by adding at the end of the said amendment the following:
>
> "the said resolutions to be expressed as follows:
>
> 'That it is expedient that parliament do approve the general agreement on tariffs and trade, including the protocol of provisional application thereof, annexed to the final act of the second session of the preparatory committee of the United Nations conference on trade and employment held at Geneva from April 10 to October 30, 1947, together with the complementary agreement of October 30, 1947, between Canada and the United States of America; that the house do approve the same, subject to the legislation required in order to give effect to the provisions thereof.'
>
> 'That it is expedient that parliament do approve the complementary agreement of October 30, 1947, between Canada and the United Kingdom relating to the general agreement on tariffs and trade; and that the house do approve the same, subject to the legislation required in order to give effect to the provisions thereof.' "

Subsequently the subamendment, amendment as amended and main motion as amended carried. In this connection see the *Journals*, March 10, 1948, pages 240 and 241. In dealing with this proceeding it must be said that, if the amendment itself was irregular, it logically follows that all subsequent proceedings thereon were also irregular. In this regard it would appear that this procedure was carried on through an arrangement among and with the consent of all parties and cannot be considered as establishing a proper procedure. See *Hansard*, March 8, 1948, pages 1951 and 1952; also *Hansard*, March 10, 1948, page 2080.

To summarize our procedure, it can be said that no clear precedent concerning the dividing of a question can be found in our annals and that the ancient British procedure set out at page 298 of Bourinot's fourth edition has been superseded by another practice in the British house.

In other words, this would appear to be an unprovided case and ordinarily, under such circumstances, reference is made to current procedure in the British house. Such action is provided for by virtue of our standing order No. 1, which reads as follows:

> In all cases not provided for hereafter or by sessional or other orders, the usages and customs of the House of Commons of the United Kingdom of Great Britain and Northern Ireland as in force at the time shall be followed so far as they may be applicable to this house.

Accordingly, it is my view that the procedure which applies in this case is the current procedure used in the British house, one which perhaps has not been used too frequently but which nevertheless must be recognized, and if it is to be observed on this occasion it would appear that the question of the dividing of a complicated motion rests with the Chair.

In line with the ordinary procedure of our house, any decision in this regard would, of course, be subject to an appeal to the house.

Now, motion No. 44 which is under consideration today reads as follows:

That the government be authorized to take such steps—

Shall I dispense with the reading of this motion?

Some hon. Members: Dispense.

Mr. Speaker: Taking into consideration the references and quotations just cited, and more especially the view expressed by the Speaker of the British house on November 13, 1912, where he said:

—the rule of course is if any honourable member feels embarrassed on voting on a resolution that the Chair shall revise the resolution in order that the member may, if he wishes to vote "Aye" on the one part and "No" on the other not be embarrassed by having to vote "Aye" or "No" on the whole of it,—

—I must come to the conclusion that the motion before the house contains two propositions, and since strong objections have been made to the effect that these two propositions should not be considered together, it is my duty to divide them as follows:

(a) That the government be authorized to take such steps as may be necessary to establish officially as the flag of Canada a flag embodying the emblem proclaimed by His Majesty King George V on November 21, 1921—three maple leaves conjoined on one stem—in the colours red and white then designated for Canada, the red leaves occupying a field of white between vertical sections of blue on the edges of the flag.

(b) That the government be authorized to take such steps as may be necessary to provide that the royal union flag, generally known as the union jack, may continue to be flown as a symbol of Canadian membership in the commonwealth of nations and of our allegiance to the crown.

Therefore, unless there should be an appeal to the house from my decision, and my decision is not sustained, it is my intention to put the question on the first part of the motion as divided.

OFFICIAL ESTABLISHMENT OF NEW DESIGN

Mr. Speaker: Since there is no appeal, the question now is as follows:

The Right Hon. Prime Minister (Mr. Pearson) moves, seconded by the Minister of Justice (Mr. Favreau):

That the government be authorized to take such steps as may be necessary to establish officially as the flag of Canada a flag embodying the emblem proclaimed by His Majesty King George V on November 21, 1921—three maple leaves conjoined on one stem—in the colours red and white then designated for Canada, the red leaves occupying a field of white between vertical sections of blue on the edges of the flag.

[Mr. Speaker.]

Are the members ready for the question?

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, in the interesting discussion that preceded the opening of this debate, we went into a great deal of constitutional and parliamentary history. I do not propose to go back to 292 B.C., but I would remind the house that this is the 750th anniversary of the signing of Magna Carta, June 15, and perhaps it is an appropriate occasion for the hon. member for Winnipeg North Centre (Mr. Knowles) to indicate that he is still standing on guard to protect what he considers to be the ancient rights and privileges of parliament.

Today is another anniversary, a little closer to home both in time and in space. One hundred years ago today, on Monday, June 15, there was a dramatic moment in Canadian history when, in parliament, Sir John A. Macdonald and George Brown, two strong and even bitter political opponents, agreed to meet and try to end their long antagonism for the purpose of creating a Canadian confederation which one day would stretch from sea to sea. I hope, Mr. Speaker, that this resolution which is now being discussed one hundred years later will, when action is taken on it, result in a united effort, above party and above personalities, to strengthen and ensure the survival of the confederation which Macdonald and Brown, putting patriotism above all else 100 years ago, did so much to create.

The resolution before the house, the procedural significance of which you have now indicated in so far as its possible division is concerned, reads as follows:

That the government be authorized to take such steps as may be necessary to establish officially as the flag of Canada a flag embodying the emblem proclaimed by His Majesty King George V on November 21, 1921—three maple leaves conjoined on one stem—in the colours red and white then designated for Canada, the red leaves occupying a field of white between vertical sections of blue on the edges of the flag and also to provide that the royal union flag, generally known as the union jack, may continue to be flown as a symbol of Canadian membership—

Mr. Diefenbaker: Order, Mr. Speaker, that is not the resolution. You have separated it.

Mr. Pigeon: You have to change your speech.

Mr. Bell: The Prime Minister has the wrong speech.

Mr. Pearson: Mr. Speaker, it has been suggested by the right hon. Leader of the Opposition that I am not even allowed to read

anything concerning the second part of the resolution as I open this debate. I ask your ruling on that.

Mr. Diefenbaker: I rise on a question of privilege, Mr. Speaker. You have decided that this motion consists of only certain words. The Prime Minister now finds himself in difficulty and he is trying to use the entire motion in order to forward his speech because he has not the material for the earlier part.

Mr. Pearson: I don't find myself in any difficulty whatsoever. The right hon. gentleman seems to find himself in a state of some excitement.

Some hon. Members: Hear, hear.

Mr. Diefenbaker: Mr. Smallwood will be surprised.

Mr. Pearson: Mr. Speaker, that was an uncalled for interjection, and I hope the right hon. gentleman will play his part in trying to keep this debate worthy of the occasion.

Some hon. Members: Hear, hear.

Mr. Diefenbaker: On a question of privilege, it was to keep the debate worthy of the occasion that I asked that the Prime Minister stay within the rules and deal with only those portions that are today before the house, which is your ruling, Mr. Speaker, I objected to the division, and the Prime Minister, having taken advantage of the division is still holding to the original because he knows what Mr. Smallwood would think.

Mr. Pearson: It is too bad Mr. Smallwood has been brought into this debate so early in the proceedings—

Mr. Nowlan: He was in two weeks ago.

Mr. Pearson: Mr. Speaker, I think we ought to have a ruling. I would like your guidance as to whether, in my discussion of the resolution, I am not at any time to refer to the second part which deals with the royal union flag.

Mr. Speaker: The resolution was divided into two parts, (a) and (b), or resolutions Nos. 1 and 2, whichever terminology you care to apply. Under the heading of relevancy we are of course discussing a flag for Canada, which is the first resolution before the house. The question of relevancy is a very difficult one to rule on, and I would respectfully suggest to the Prime Minister that he try to stay within the resolution as proposed to the house by myself.

Mr. Pearson: Mr. Speaker, on a point of order, does your ruling—which I of course accept—mean that we are to continue debate on the first part and take a decision on that and then, only after that decision are we permitted to speak on the second part?

Mr. Diefenbaker: That is what you agreed to.

Mr. Pearson: All right, I don't mind.

Mr. Speaker: The point before the house is a flag for Canada. The second resolution deals with the union jack, and I have suggested to the house that the joint resolution, if you want to call it that, be separated. We are now dealing with the first part, the flag for Canada. I admit that in dealing with this subject it is very difficult to rule out any reference to the past history of this country. You cannot just automatically forget the stirring years of the past history of our country, and therefore it seems to me that the Prime Minister, within reasonable limits and within the rule of relevancy, is entitled to make reference to things that have gone on in the past, which I presume might involve a reference to the union jack and what it stands for.

Mr. Pearson: So that there will be no misunderstanding later, may I ask you, sir, when is the second part of the resolution to be introduced in the house?

Mr. Speaker: I propose to introduce the second part or second resolution, if you wish, when the first part has been taken and determined.

Mr. Pearson: Mr. Speaker, I am quite happy about your decision. It clarifies the atmosphere and I shall be very happy to abide by it. I am now speaking and introducing that part of the resolution which deals with a Canadian national flag, and it would be impossible to deal with the Canadian national flag without showing how that flag has evolved, how it symbolizes the past and I hope, if I mention the union jack, hon. gentlemen opposite will not be too indignant.

Mr. Chatterton: On a point of order, Mr. Speaker, you indicated only a few minutes ago that the second resolution will be introduced in due course. Will that happen whether the first resolution is defeated or approved by the house?

Mr. Speaker: That is correct. It will be on the order paper as a separate resolution.

Canadian Flag

Mr. Pearson: Mr. Speaker, if I may continue, as I said a moment ago, this is a serious, a solemn and historic occasion and I venture to hope, as I also mentioned a moment ago, that the debate will be worthy of the occasion.

This is the first time in our history that parliamentary action has ever been requested by a Canadian government to decide on a national flag.

Mr. Diefenbaker: In that regard would the Prime Minister allow a question? Is it not a fact that the order in council of 1949 said that the red ensign shall continue to be the flag until parliament otherwise renders a decision?

Mr. Pearson: If my right hon. friend will conceal his impatience he will find I am dealing with this as I go along. I may say the order in council was not made in 1949. It was in 1945. But, Mr. Speaker, that is just what I was going to say. There was an order in council passed on September 5, 1945 and part of it read—and I shall return to it later:

> Until such time as action is taken by parliament for the formal adoption of a national flag...the red ensign may be flown.

Those are the words of the order in council.

Mr. Diefenbaker: Read all the words. You left some out.

Mr. Pearson: No such action has been taken by parliament. Until now no government has asked parliament to take such action. I know, as do all hon. members, that in 1945 a flag committee of the house was set up which made a report with a recommendation in regard to a flag.

Mr. Diefenbaker: That was in 1946—the report.

Mr. Pearson: The committee, I said, was set up in 1945, which is correct. The report was made in 1946, I think in June or July. That report was made but no action was taken by parliament at that time, nor was any action asked by the government of Canada at that time. Someone says on the other side that if it had been asked for it would have been taken.

Mr. Nowlan: That is right.

Mr. Pearson: I am not here to dispute or agree with that, but it was not taken and therefore this is the first occasion on which parliamentary action has been asked for.

In order to meet the point that we as a government are rushing into this matter, that what we are asking parliament to do now has come in some way as a surprise to parliament and the people of Canada, it is desirable for me to put on the record the commitments I have made, as the leader of my party and now as the leader of the government, in regard to this matter. Back in January, 1960, following a broadcast I made, I issued a statement—and the broadcast dealt with this matter too. I made my position clear. This was as far back as 1960. And I proposed in that statement on January 27, 1960, the submission by government to parliament of a measure which, if accepted by representatives of the people in parliament would, I hoped, settle the problem of a national flag by agreement on a distinctive design which, unlike the red ensign—a flag never given formal sanction by parliament—could not be confused with certain United Kingdom or colonial flags and which was easily identifiable as Canadian. This was the position I took at that time, and it is the position I have taken consistently since that time. Indeed, in the letters which I have received over the years—and I have received a great many, especially in the last six weeks on the flag question—I have written as follows—and I am quoting now from a letter I have been sending out for a good many years to people complaining about action which might be proposed to change the red ensign. My replies have included these words:

> I assure you that I respect the union jack or the red ensign and all that they stand for in our history and traditions; and as a symbol of freedom and democracy. I have been proud to have served under the union jack in war and to have lived under it in England in peace and war. I hope that it can be kept, and flown on appropriate occasions as a flag symbolizing Canada's association with the other nations of the commonwealth and our monarchial connection. I do feel, however, that there should be a Canadian national flag which could not be mistaken for the emblem of any other country and which, by its acceptance, would be a strong unifying force in our country.

At our party rally in 1961 which laid down the policy to be followed by our party, the statement of policy included these words:

> A Liberal government will establish a distinctive Canadian flag within two years of taking office.

We are carrying out that policy laid down at the party rally. It was in the election platform of 1962 and, in 1963, the undertaking was repeated in exactly the same words:

> A new Liberal government will submit to parliament a design for a flag which cannot be mistaken for the emblem of any other country.

Our party's commitment to ask for a parliamentary decision on the flag extends over

many years. The present resolution, therefore, should come as no surprise. We are not proceeding without due notice, nor are we ramming anything down parliament's throat as has been suggested.

Some hon. Members: Oh.

Mr. Pearson: Now, for the first time in our history, parliament is being asked to decide this matter—

Some hon. Members: Hear, hear.

Mr. Pearson: —and parliament will decide it, one way or the other.

Some hon. Members: Hear, hear.

Mr. Pearson: I have also given pledges to parliament since the election of 1963—pledges in parliament. On November 12, 1963 the Leader of the Opposition (Mr. Diefenbaker) asked me a question with regard to representations I had been receiving from the Royal Canadian Legion on the flag issue, and in the course of my reply I stated:

I repeated to them, however—

The reference is to the Royal Canadian Legion.

—the commitment that this government had entered into for the production through parliament of a Canadian national flag within two years of being elected.

The Leader of the Opposition then asked:

Would the Prime Minister say whether such a flag will come before parliament, or simply be declared by way of order in council to be the national flag of Canada?

I replied that it would be a matter for parliament's decision. And it is.

Some hon. Members: Hear, hear.

Mr. Pearson: On February 24, 1964, in answer to a question asked in this house I repeated that parliament should certainly be put in a position to decide for or against a particular flag. Parliament is now being put in that position.

May I call it five o'clock?

Mr. Speaker: It being five o'clock, the house will now proceed to the consideration of private members' business as listed on today's order paper, namely notices of motions.

DISABLED PERSONS ACT

AMENDMENTS CONCERNING PHYSICAL AND MENTAL CONDITIONS

Mr. Heber E. Smith (Simcoe North) moved:

That, in the opinion of this house, the government should give consideration to the advisability of enlarging the definition of a disabled person in the Disabled Persons Act, and the regulations pursuant thereto, to take into consideration such factors as the physical condition, the mental condition and the age of the applicant, and other factors which create a condition of permanent unemployability.

He said: While the business which has just preceded this private members' hour has generated a great deal of heat, I am not so sure that the matter now to be discussed is not equally important and deserving of the consideration of parliament.

It was just a year and a few days ago that I first brought a resolution before the house asking the government to consider an extension of the definition of the word "disabled" under the Disabled Persons Act.

At that time it was suggested by the hon. member for Spadina (Mr. Ryan) that such a course of action would be followed. We have waited a year, but the action has not come. A year ago I said there were four things which ought to be considered. The first would be the physical condition of the person concerned; the second would be the mental condition, the third would be the age and the fourth would be any permanent unemployability which might flow from the first three conditions. If the government does not change its mind—and that is a broad assumption to make; I cannot be sure this is government policy yet, because I have not heard the hon. member for Winnipeg North Centre (Mr. Knowles) give official approval—some small steps are to be taken along the lines I have suggested. These are reflected in communications dealing with the Canada pensions act and the definition of disability for disability benefits. The proposal is as follows:

The general intention is to recognize those medical impairments in which disability is so prolonged and severe that the person is unable to secure substantial gainful employment. He need not be completely helpless to be unable to engage in substantial gainful activity.

If the government persists in this proposed definition it will certainly have my support. I should like to see them carry that definition into the Disabled Persons Act; and I mean carry it into the act now, not next year or in 1971, when the disability benefits under the proposed Canada pension plan commence.

Even if the Canada pension plan is enacted there will still be severe limitations on the pensions of those who are disabled. In the first place, the benefits, as I read the proposal, do not start until 1971 in the case of disabled people, which is still some six or seven years away. The second class of people who will not benefit are those who never become eligible

under the proposed Canadian pension plan—for example those who never complete two years' contributions. There are many people who fall into that category at the present time, people who drift on from one relief roll to another. They will never come within the ambit of the proposed Canada pension act.

The third matter which I think should be taken into consideration concerns the benefits which are proposed. They are too low in the case of those who are disabled and unemployed. The benefits will not help the people who need them most. Surely the government's first responsibility is to help those least able to help themselves.

I would like to turn for a moment to another related part of the Disabled Persons Act—and this also applies to blind persons' pensions—and that is income ceilings. Income ceilings are very low. Where a wife or a husband is disabled, the earnings of the working spouse are considered in the eligibility of the disabled spouse for a pension. In most cases where either the husband or the wife is paraplegic extra expenses are involved in the home, but because of a very modest income on the part of the working member of the family they are disqualified. I know of one instance where a wife works and her husband's drug bill is something like $60 a month. Therefore I suggest the earnings of the working spouse should not be considered in fixing the income ceilings of such people under Disabled Persons Act.

Another instance which has come to my attention concerns the case of a wife in a wheelchair. The oldest daughter is kept at home to keep house. The father is the operator of a small farm, and the income is something like $1,500. They are disqualified under the act, and the daughter has to stay at home instead of earning.

There has recently been held in Ottawa a very fine conference on the family, which dealt with how to keep families together. I should like to suggest that one very practical and speedy way to help families with a disabled mother or father who are struggling to keep the family unit together is by lifting the income ceiling and paying the disabled person's pension, regardless of the earnings of the working spouse. I think the same provision as to income ceiling should apply to families where the wife is blind. In such cases there are always extra expenses involved, no matter how skilled she is. There are many matters which call for outside assistance. Insufficient use is made of food and many tasks have to be done by outside help. If a man is on a modest income and his wife is blind I think she should get the blind person's pension regardless of her income. This would help this sort of family. I realize our hospitals are crowded, but the present provisions of the act and the regulations under the act tend to keep a family apart. They tend to force a family to put a disabled member into a hospital or nursing home. It is always cheaper to keep disabled persons in their own homes.

Since this matter is not of the controversial nature of the one we have just been dealing with, I hope everyone will support it; and I am sure the government will get very quick action if they take the necessary steps I have suggested.

Mr. H. C. Harley (Halton): Mr. Speaker, I should like to say a few words on the hon. member's notice of motion. First of all, I should like to put a few facts on the record in connection with disability pensions. As all hon. members know, these pensions were first brought in in 1954. Since that time the numbers of pensioners have been increasing. In 1963 there were 50,621 people who received the pension, at a cost to the government, as part of course of a shared program with the provinces, of almost $20 million. The same year there were 17,659 applications, of which 5,500 odd were approved, something over 11,000 were declined, and 780 were either withdrawn by the applicant or the person involved passed away. Of the 11,500 which were declined, over 10,000 were turned down on medical reasons.

At the present time the federal administration of this plan is under the old age assistance division of the welfare branch of the Department of National Health and Welfare. That branch is responsible for the federal administration of disabled persons allowances. The medical features of the act are the responsibility of the medical rehabilitation division of the health branch. Medical decisions on applications are made both by the provincial and the federal medical examiners. At the present time there are federal-provincial agreements for sharing the cost of special medical examinations and medical referees. I should like to say in passing that, having been a medical practitioner, I certainly agree with the hon. member that we should simplify the application forms. They are very complicated and take a great deal of time to complete.

I am also interested in the hon. member's fourth point concerning permanent unemployability. I am not sure in my own mind

whether he means permanent unemployability or permanent disability.

Mr. Smith: Unemployability.

Mr. Harley: Unemployability. Then this brings up the point: Are they one and the same? There is grave difference of opinion about this. Under the act at the present time we must assume they are the same thing. Many things other than health can make one permanently unemployable; I have only to mention education and skill. At the present time if one is not well enough to work and earn an income he applies for a disability pension.

I should like to read the definition of a permanently disabled person contained in the present Disabled Persons Act and the disabled persons regulations which were passed in December 1960. It is as follows:

> For the purpose of the act and these regulations, a person shall be deemed to be totally and permanently disabled when suffering from a major physiological, anatomical or psychological impairment verified by objective medical findings which is likely to continue indefinitely without substantial improvement and, as a result thereof, such person is severely limited in activities pertaining to normal living.

I should just like to deal with the interpretation as it is given here. The first factor, physical condition and mental condition, are covered in that definition. Then it refers to physiological, anatomical or psychological impairment. As far as age is concerned, at the present time the act specifies that a person must be 18 years of age and over to draw this allowance, and they can continue drawing it to the time they can be turned over to the old age assistance programs. I am not sure whether the hon. member means it should be granted to those below the age of 18.

Mr. Smith: Mr. Speaker, would the hon. member permit a question?

Mr. Harley: Certainly.

Mr. Smith: Would he agree that under the present definition "normal living" excludes the ability to work and earn a living?

Mr. Harley: Would the hon. member rephrase his question, please?

Mr. Smith: The regulations refer to a person carrying out the functions of normal living. Is working for a living not one of those functions?

Mr. Harley: Again, Mr. Speaker, this brings me to the question of definition. I agree that one necessarily does not have to be working to be living normally, or vice-versa. To illustrate this, the act takes into consideration physical and mental factors as well as age. I should like to give to the house some statistics relating to people who now draw this allowance. The greatest number of people draw this allowance for reasons of mental deficiency. The second largest group are those suffering from arteriosclerosis and degenerative heart disease, which is of course most common in older people. The third group consists of those suffering neoplasms, or cancer as most people refer to it. The fourth group are those suffering from schizophrenia, which is of course another mental disease commonly known as split personality. When we come to the definition of "disability" as given in the regulations I think we should read into the record what the regulations say at the present time about disability. Reading from the disabled persons regulations, again, of December 16, 1960, we see:

> For the purpose of enabling the provincial authority to consider the eligibility of an applicant as regards his total and permanent disability, the applicant shall furnish or cause to be furnished, in such form as may be required by the provincial authority, a medical report signed and dated by a qualified physician, which shall state
>
> (a) the nature, extent and prognosis of the disability,
>
> (b) the findings upon which the diagnosis and prognosis were made,
>
> (c) the limitations in function imposed by the disability,
>
> (d) any other pertinent information concerning the disability, including any recommendations for further diagnostic work or treatment as may be relevant, and
>
> (e) any additional information required by the provincial authority.

Then section 2 is:

> The provincial authority shall consider the medical report required by subsection 1 and, before determining that the applicant is totally and permanently disabled, shall cause such medical investigation to be made as it may deem necessary in the circumstances.
>
> 3. The provincial authority shall, at least once in each year, cause such further medical review or investigation to be made as the nature of the recipient's disability may require.

I think this provision goes into great detail. As I have mentioned to the hon. member, on occasion I have had these forms to fill out and I certainly agree with him that they could be simplified; but I think what they ask for under the definition of "disability" is a reasonable thing. They want to be sure before they grant this pension that it is not going to be a temporary thing. They want to be sure also, of the basis on which the diagnosis was arrived at and how severely it is going to limit

the person involved, and to obtain any other information they may deem desirable.

I would like to suggest to the hon. member that the regulations as they stand are all right, but the major problem is in their application. The regulations should be the same across Canada. To show what I mean, there is a table giving the percentage of recipients to the total population range. The last figures available are for 1955. They range from .750 in Prince Edward Island to .046 in the Yukon Territory. Taking into account the population, this means that 16 times as many people are drawing this pension in Prince Edward Island as are drawing it in the Yukon Territory. These figures are based upon the percentage of population in these two areas. I certainly agree with the hon. member that these figures show that the regulations are not being applied in each province uniformly.

Mr. Smith: Disabled people do not stay in the Yukon; it is too cold up there.

Mr. Harley: I am sure that would not account for 16 times as much disability. I would like to mention in passing, Mr. Speaker, that the most common age groups in this area of disability are 18 to 19, when the pension is first allowable, and 60 to 64, at which time most of these people become eligible for old age assistance programs.

I agree 100 per cent with the hon. member with regard to the income ceilings. I think these should certainly be raised. There is no question that a great many people spend a large part of their income on buying drugs for their disability. I think it would be a very simple thing to allow bills for drugs to be added to the income ceilings. Drugs these days are very expensive and I am sure they could take practically all the pension allowed for some illnesses. I would also agree that the allowances are not suitable and should be graded.

In closing, Mr. Speaker, I would like to say I am sorry if I have misinterpreted what the hon. member has said, but at the present time I think many of the things he is looking for could be achieved if the application of the regulations was changed. In my opinion the application of regulations could be changed in such a way as to make them more uniform and more applicable across the country.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, the attendance in the house and the galleries is not quite as large now as it was between 2.30 and five o'clock, but to a great many Canadians—in fact, to far too many—the matter we are now discussing is of very great importance. I commend the hon. member for Simcoe North (Mr. Smith) for presenting this motion again this session as he did last session. I hope that one of these days what he asks for will be attained. It is not necessary to speak at any length to indicate our support of this motion; I indicated that support when this same proposition was before the house at the last session. However, I would like to take just a moment to thank the hon. member for Halton (Mr. Harley) for supporting the proposition, but at the same time to express my disagreement with him when he suggests there is nothing wrong with the regulations and that all that is wrong is the manner in which those regulations are applied.

If I recall correctly, during the course of his remarks he himself quoted from the act and from the regulations setting out the definition of "total disability". I submit that that definition is itself a barrier preventing many people receiving the allowance under the Disabled Persons Act. We have all had experience with this act. We have all had experience with people who have been denied the benefit that is available under it for the simple reason that they could still feed themselves and look after themselves in the most elementary ways. What we are concerned about is that the definition itself be broadened so that people who are disabled in the ordinary sense, as we know them and as we see them, can get the benefit of this act.

It does seem to me, Mr. Speaker, that in relation to this piece of legislation, as in relation to other pieces of social security legislation, parliament should in this affluent age be much more generous than we have been thus far. We sometimes tend to pride ourselves on the number of pieces of social legislation that have been put on the statute books during the past 40 years, and therefore we think we have done a good job. I submit that in terms of our capacity and in terms of the needs that some of our people suffer we really have not done very well at all.

I shall have something more to say on this general subject the next day that private members' notices of motions are called, because the very next one on the list is in my name and calls for doing something about filling the major gaps in this country's social security program. Therefore I need say nothing more on this occasion. I simply want to support wholeheartedly the request that

has been placed before the house in the motion moved by the hon. member for Simcoe North (Mr. Smith) and I hope that hon. members who are present will permit this motion to be voted on before six o'clock.

Mr. H. A. Olson (Medicine Hat): Mr. Speaker, I notice there are a number of members who want to speak on this notice of motion and for that reason I am going to be very brief. I want to say that we extend our congratulations to the hon. member for Simcoe North (Mr. Smith) for bringing forward this notice of motion again.

I was interested in the remarks made by the hon. member for Halton (Mr. Harley) when he spoke of the interpretation of what total and permanent disability means. In my experience this has been the biggest problem we have had. I believe that one of the major improvements that could be made in applying the regulations under the Disabled Persons Act would be to take into consideration the matter of income as opposed to permanent medical disability. After all, the provision of money by way of a pension certainly is not going to do very much toward correcting the medical problem, and in my opinion the legislation is specifically designed to provide income for those people who have disabilities of such a nature that they are prevented from earning income. Therefore I think the emphasis should be placed on the consideration of whether or not the individual applying for a pension can in fact earn any income. If the present interpretation or definition of permanent and total disability, from a medical point of view, is to be the criterion, then I think we are losing sight of the purpose of the act which is to provide income for people who are disabled in such a way that they are unable to earn it themselves.

Over the years I think most members of the house have had experiences in attempting to get applications for disability pensions approved. Almost invariably you run up against the question of what permanent disability means. My experience has been that unless a person is almost confined to bed, disabled to the point where he cannot even move around the house and cannot do anything, quite apart from being able to earn income, the application is not approved. So some credence can be given to what the hon. member for Halton has said, that perhaps the present wording of the regulations would be satisfactory if they were applied a little differently. I hope that when the government is ready to make changes in the application of the act they will give high priority to the consideration of the ability to earn income rather than the degree of medical disability.

In the province of Alberta the provincial government has recognized the shortcomings of the federal act and of a number of other acts where the province and the federal government co-operate in providing pensions. They have proceeded to set up what they call social allowances for people who find themselves in a position where they cannot quite qualify under the regulations of the federal act. The hon. member for Winnipeg North Centre (Mr. Knowles) may be interested in this because, as he has pointed out, he has a notice of motion standing on the order paper, in fact the very next one, which is designed to fill some of the gaps. I think that he and other members of the house could benefit from studying what the province of Alberta has done during the past few months.

Today the social welfare agency of the province of Alberta considers each application on the basis of the individual merits and individual needs of the case. No specific pension is predetermined as used to be the case. They take into consideration the cost of living, including such things as food, clothing and shelter. They even take into consideration the matter of drugs. After all these factors are considered they arrive at a monthly payment, call it a pension if you will, that will meet these requirements.

In addition, Alberta has now embarked on a rather large program of building nursing care hospitals or custodial hospitals, if you prefer that term. These are designed for people who are disabled but have afflictions of a nature not requiring active hospital treatment. They are not even in the category of those who would be accepted into auxiliary or chronic care hospitals. These new hospitals are designed for people who are unable to take care of themselves.

I can foresee a situation developing where it will be substantially cheaper for a number of disabled people to be committed to these nursing care hospitals and it will cost Canadian taxpayers more to keep them there than to provide a reasonable pension enabling them to stay at home. If some income were provided to take care of the purchase of drugs and other necessities of life, in many cases these people could quite adequately be taken care of in their own homes. In some cases I think this would be more satisfactory to the persons involved and more

satisfactory to their families. I think, therefore, some consideration should be given to extending and broadening the definitions and the qualifications under which the federal government participates in this program for these people.

I know that that kind of motion has been introduced into this house a number of times. I am ready to admit also that there have been some concessions or some relaxing, if you like, of the regulations over the years. I do not believe that this procedure has reached the point whereby we can make payments that would be in the best interests of both the people involved and the Canadian taxpayer. I say that because there are many services that could be provided for disabled persons in their own homes which, because of a lack of income, they are prevented from having.

I should like to extend our support to the hon. member for Simcoe North (Mr. Smith) on this motion. I hope, too, that some of the opinions expressed by the hon. member for Halton (Mr. Harley) are going to be accepted by the government so that we can have some broadening of these definitions.

Mr. W. B. Nesbitt (Oxford): I shall only take a few moments because I notice there are other members who would like to speak on this subject. I should like to congratulate the hon. member for Simcoe North (Mr. Smith) for having brought this matter up on several occasions. I certainly agree with the remarks made by him, by the hon. member for Halton (Mr. Harley) with certain qualifications, by the hon. member for Winnipeg North Centre (Mr. Knowles) and the hon. member who just resumed his seat. I am very glad to see the minister is listening to this debate, and I am sure she would do well for herself if she dealt with this matter as quickly as possible by recommending to her cabinet colleagues some of the suggested changes. In addition, she would be doing a great service to a large number of people in this country who are disabled to a total and permanent degree.

Of course, it is this question of what is total and what is permanent that causes all the problems in the administration of these regulations. Without being unkind to the medical profession, I would say that very often it depends upon which doctor you go to whether it is decided you are permanently and totally disabled. I mean no disrespect to the medical profession but doctors, like the members of other professions, have differences of opinion. Some doctors seem to be more flexible in their views than others, and the regulations are very rigid. Indeed, unless the medical facts can be made more flexible it is going to be very difficult for any but a very limited number to gain any benefit from this legislation.

I should like to give the house an example that recently came to my attention indicating the need for a change in these regulations. A lady in my constituency was judged totally and permanently disabled by the Ontario workmen's compensation board. As no doubt hon. members from Ontario know, this board has very rigid rules as to what is total and permanent disability. Certainly, they are never too generous in their interpretation of these regulations. In any event, the applicant in question was judged totally and permanently disabled by the workmen's compensation board but for technical reasons, namely that part of the disability was caused not by the industrial accident but by other causes, the patient was only able to get a small pension. Then, application was made for the disabled persons allowance. However, she was told: "The workmen's compensation board may say you are totally and permanently disabled, but we do not have to say so." She did not get anything.

This is the kind of thing that needs checking up. I hope the minister is putting this item high on her agenda for changes in the regulations. I was particularly interested, of course, in this question of raising the ceilings on permissible income for those receiving these benefits. If anyone needs a little extra income it is these people who are disabled. They need it for drugs and the services of people to come in and help look after them and their living quarters. Certainly, these ceilings should be raised.

There is one suggestion I should like to make to the minister and it may be one that could be introduced without causing too drastic a change in the resolution. I suggest the adoption of the same principle that is used, at least in theory, by the Canadian pension commission. If there is some question of whether or not a person is going to be permanently and totally disabled in the future, the pension commission gives the benefit of the doubt to that person. I believe the application of such a principle might be of great help to these people. In all fairness, no one wants to be paying a pension to every applicant who comes along and who is not entitled to a pension. If this benefit of the

doubt principle were applied, it might be helpful in the interpretation of these regulations.

In conclusion, I may say that I hope the minister will give consideration to recommending these changes just as quickly as possible. One further matter I should like to mention is this question of the blind pension. It has been suggested over the years that the blind persons' allowance be paid to these persons regardless of income; that there be no income qualification. I suppose the principle here is that if a person is deprived of his sight he is deprived of one of the most valuable assets in making a living, and that compensation should be paid regardless of income because, regardless of what income he may have it is presumed he would be able to make more if he had his sight. This argument would apply to those who are receiving the disabled persons' allowance. They are, likewise, deprived of their ability to make a living, in whole or in part, and therefore should receive some basic compensation from society. I feel this is a point that is worthy of consideration. I believe this principle should be given consideration to a greater extent than it is at the present time in considering employability or income producing ability. This should be taken into consideration in assessing the amount that should be received by those who receive the disabled persons' allowance.

Mr. Stanley Haidasz (Parliamentary Secretary to Secretary of State for External Affairs): I should like to congratulate the hon. member for Simcoe North (Mr. Smith) for bringing to the attention of this house the sorry plight of many people in this country who are not just sick but totally and permanently disabled. It is true that the people in this category are unable to work. However, some attention should be given to the fact that by seeking to enlarge the Disabled Persons Act and the regulations, as a result of this motion, I believe the hon. member is confusing the whole issue.

The hon. member's motion, Mr. Speaker, would upset the basic principle of the Disabled Persons Act by introducing the concept of employability. Such a step would make the disabled persons allowance superfluous, and impossible to distinguish from the Unemployment Assistance Act which is now a part of the social legislation, federally and provincially, because it is a partnership.

So far as enlarging the definition of a disabled person is concerned I fail at the moment to understand how the present definition can be enlarged further. This definition can be found under the Disabled Persons Act, office consolidation, 1961, and it states:

> For the purposes of the act and these regulations, a person shall be deemed to be totally and permanently disabled when suffering from a major physiological, anatomical or psychological impairment verified by objective medical findings which is likely to continue indefinitely without substantial improvement and, as a result thereof, such person is severely limited in activities pertaining to normal living.

In my own experience as a medical practitioner I cannot agree with the statements that were made in this house concerning the applications for Ontario, because in my private experience I notice that more and more patients for whom I have filled out the medical reports for disability pensions are being accepted by the Ontario medical advisory board. However I must say a complete evaluation of the patient's status physically is not the entire solution in this matter, because a social report is also required by the regulations.

This social report is designed to provide the medical review board of each province with a clear picture of the applicant in his normal circumstances. It provides evidence of the degree of actual handicap which the impairment involves, and also indicates the extent to which the applicant has overcome difficulties in the past. It helps to identify those persons who would be capable of helping themselves if they received special assistance.

The intention of the act is not to make sick people permanently and totally disabled. In Canada we have progressively been making laws, and through government funds helping to increase the rehabilitation services. In this field of disabled persons I think that is where much emphasis and effort should be put in the future, that is, trying to make these people not only comfortable but placing them in the position to be active, even active to such a point as to earn a living. Nobody wants to be called a cripple and a useless person.

I would also like to draw to the attention of the house the vocational rehabilitation act which was passed by this parliament. This act also helps to assist in returning disabled persons to gainful employment. Furthermore, international meetings are convened from time to time to study social security problems, including the particular problem to which we are addressing our attention at the moment.

I would like to draw to the attention of hon. members that the International Social

Security Association in its "Report on the Activities of the Working Group on Harmonizing the Criteria for the Evaluation of Invalidity" published in its bulletin of October, 1962, recognizes several elements posed by the complex problem of invalidity evaluation. I believe most hon. members will find this report helpful to them in studying this problem and in seeing how social agencies of various countries are working zealously to harmonize the criteria upon which a medical review board can call a person permanently and totally disabled.

For the record, and so far as my own province of Ontario is concerned, I would like to state that the disabled persons allowances act of Ontario, dated 1955, states in its regulation (4) that an advisory board is to be established "consisting of three persons, of whom at least one shall be a duly qualified medical practitioner" and in regulation (2) that the "chairman of the advisory board shall be a duly qualified medical practioner." Furthermore the regulations state:

> The advisory board shall assist the director in determining eligibility of applicants by
> (a) reviewing medical evidence submitted in support of the application,
> (b) obtaining any additional necessary evidence, and
> (c) furnishing to the director a report on the evidence with a specific finding as to whether or not the applicant is totally and permanently disabled as prescribed by the regulations under the Disabled Persons Act (Canada).

This board is not a static thing. It meets from time to time to discuss definitions of chronic illnesses, to bring up to date the evidence of medical research so far as certain chronic illnesses are concerned, and what is available in the field of rehabilitation to return these people to an active way of living.

Further this board reviews medical statistics and I should like to point out that in the year April 1960 to March 1961, in which, in the 10 provinces of Canada, 6,448 cases were approved, the greatest percentage of the disabled were found in the category of mental, psychoneurotic and personality disorders. This group consisted of 2,164 disabled persons, or 33.6 per cent of the total for that year. This group contained not only cases of mental deficiency, such as those we call mentally retarded, but also schizophrenic disorders and other personality diseases.

The second group was the group called diseases of the nervous system and sense organs, and consisted of 20.3 per cent of the total, or 1,306 out of the 6,448. This category consisted of epileptics, spastics suffering from cerebral paralysis, cerebral embolism and thrombosis, multiple sclerosis, cerebral spastic infantile paralysis, and other disabilities.

The third group consisted of persons afflicted with diseases of the circulatory system and these formed 17.9 per cent of the total, or 1,154 cases. They included arteriosclerotic and degenerative heart cases, hypertensive disease not otherwise reported, other and unspecified diseases of the heart and chronic rheumatic heart disease. This was followed by a category called "diseases of the bones and organs of movement", which cases formed 7.7 per cent of the total. These were people suffering from rheumatoid arthritis and allied conditions, osteoarthritis and similar disabilities. A further group consisted of people suffering from terminal stages of cancer. Some of these cases dragged out for many months, even years. They accounted for 5 per cent of the total, or 322 cases.

Next in line came the allergic, endocrine system, metabolic and nutritional diseases. These diseases included diabetes mellitus. The next group covered infective and parasitic diseases; and the next group consisted of diseases of the respiratory system including bronchitis and other diseases which render a person chronically and totally disabled.

As I have mentioned, I believe our efforts should be directed towards rehabilitation. The government should be congratulated for having taken steps last year to help the agencies which are working in this field. I think we should not only help the disabled to obtain pensions with greater facility; we should make it possible for them to enjoy life —to pass measures to put them on their feet again, and even give them an opportunity of earning a living.

[*Translation*]

Mr. Rémi Paul (Berthier-Maskinongé-Delanaudière): Mr. Speaker, allow me to congratulate the sponsor of this motion who put forward the true reasons why he submitted this recommendation to the government for consideration so that amendments could be made to the Disabled Persons Act in order to extend its benefits to a greater number of persons, not because they are ill, but rather because they are permanently unfit for work.

The hon. member for Parkdale (Mr. Haidasz) is against this resolution as a matter of principle—

Mr. Haidasz: On the contrary.

Mr. Paul: I realized quite well that the hon. member attempted to assimilate the wording of this resolution to the present legislation, and more especially to the Unemployment Assistance Act.

I think that the hon. member, who is a medical doctor by profession and whose reputation is well established, can quite readily grasp the difference between an individual who is temporarily ill and who puts his family in such financial straits that it must get social assistance and another individual who does not fall into a category of infirmity or specific disability which would make him eligible for benefits under the present provisions of the act.

Mr. Speaker, it often happens that some people who are physically able to look after themselves are denied a disability pension although their health prevents them, as so well stated in the resolution moved by the hon. member for Simcoe North (Mr. Smith), from holding a permanent position.

Mr. Speaker, I feel the government should make the necessary changes to broaden the scope of the act or to make its benefits more readily available because, as I said a while ago, it often happens that a person who suffers from diabetes, asthma or heart trouble cannot qualify for a pension under the Disabled Persons Act.

Yet, legislative changes must be made to enable such people to follow treatments and to look after the needs of their family. In fact, I greatly appreciated the remarks made by the hon. member for Simcoe North who suggested that the pension for invalidity should be paid directly to the disabled and not be considered as family income as it is under the present legislation.

For instance, last Saturday, a widow with five deaf-mute children, some of them suffering from epilepsy, came to my office. She cannot receive the full amount of the pension now provided because it is alleged that the $30 collected for each of her children goes into the family budget. And yet, we know that the health condition of those persons can entail a great deal of expenses.

Mr. Speaker, I know that the hour for the consideration of private members' business is just about over, but I should like to commend again the hon. member for Simcoe North for introducing this motion. I am convinced that the Minister of National Health and Welfare (Miss LaMarsh), who has followed the debate rather carefully, will take into consideration the suggestions that were made so that the largest possible number of people in need of assistance may benefit from federal assistance.

Mr. Deputy Speaker: Order. The hour for consideration of private members' business having expired, the house will revert to the business interrupted at five o'clock.

[*Text*]

BUSINESS OF THE HOUSE

Mr. Deputy Speaker: It is my duty, pursuant to provisional standing order 39A, to inform the house that the questions to be raised at ten o'clock this day are as follows:

The hon. member for Cumberland (Mr. Coates), Canadian flag, reported threats to supporters of red ensign; the hon. member for Essex West (Mr. Gray), housing, request for further consideration of redevelopment projects; the hon. member for Battle River-Camrose (Mr. Smallwood), trade, steps to increase exports to Britain.

At six o'clock the house took recess.

AFTER RECESS

The house resumed at 8 p.m.

CANADIAN FLAG

OFFICIAL ESTABLISHMENT OF NEW DESIGN

The house resumed consideration of the motion of Mr. Pearson:

That the government be authorized to take such steps as may be necessary to establish officially as the flag of Canada a flag embodying the emblem proclaimed by His Majesty King George V on November 21, 1921—three maple leaves conjoined on one stem—in the colours red and white then designated for Canada, the red leaves occupying a field of white between vertical sections of blue on the edges of the flag.

Mr. Pearson: Mr. Speaker, in dealing with this important resolution before us and the procedure that might be followed to bring it into effect, if it meets the wishes of parliament, there has been some criticism to the effect that the resolution should not be submitted to parliament at this time but that there should be a referendum or a plebiscite before action by government or parliament; or that it should be submitted—and this has been another proposal—to a federal-provincial conference for agreement and a decision.

As to the latter, Mr. Speaker, surely this would not be the most effective or the right procedure to follow. Those provinces which

have separate flags chose them without reference to the federal government or federal parliament, and they were, of course, right in doing so. The choice was within their own responsibility. Similarly, the choice of a national flag is the responsibility of the federal government and the federal parliament. Reference of the matter to a federal-provincial conference would not only in my view be the wrong procedure constitutionally, but it would postpone any decision for a long time. Every province presumably would have to agree on a design, which would presumably mean that every provincial legislature would have to agree on a national design. Any such agreement would certainly be a long and difficult process if indeed it were possible at all.

As for a referendum or a plebiscite, I have received a great many representations on this emphasizing the desirability of following this course in a matter of such deep and wide national importance. It is interesting, and it is therefore important to look into the precedents in regard to the use of the referendum in our parliamentary and constitutional systems.

There have been only two precedents for referenda or plebiscites in Canada. One was in 1898 when there was a plebiscite on prohibition. The prohibition plebiscite act of 1898 provided for a direct appeal to the people on this matter. The plebiscite at that time involved the substantial application of all the procedures required by the dominion elections act. The result was that there was a substantial majority in favour of prohibition in the over-all vote and a very large majority for prohibition in all the provinces except Quebec, which was strongly against prohibition. Perhaps because of this division no action of any kind was taken as a result of that plebiscite.

There is another instance, closer to our day, of the use of the plebiscite, and some hon. members in this house were in parliament at the time and recall this. It was in 1942 when the government of the day consulted the people about conscription, and the terms of the plebiscite read: "Are you in favour of releasing the government from any obligation arising out of any past commitments restricting the method of raising men for military service?" Before this plebiscite could be undertaken legislation had first to be passed to provide regulations to set out in detail the provisions for taking the vote. Those regulations comprised 78 sections, and 37 forms were necessary for all aspects of the vote. It required many months, from the introduction of the legislation on February 13, 1942 to the announcement of the results on May 11, 1942. Those are the only two instances in our history, Mr. Speaker, when this constitutional device was adopted.

There are strong arguments, I submit, against a referendum or a plebiscite. In the first place, I believe it is essentially out of keeping with our system of parliamentary democracy and responsible government. The very fact that there have been only two plebiscites in the entire history of this country and, so far as I am aware, none at all in the entire history of the United Kingdom indicates that this is not a part of our parliamentary system of government. The essence of our parliamentary system is that the people elect members of parliament on the basis of broad positions of policy and programs and they expect the members of parliament to assume the responsibility of making decisions in the national interest based on those positions. That is the purpose for which members of parliament are elected. The government's responsibility is to decide on policy, to present that policy to parliament for consideration, and they hope support, and to stand and fall on the decisions parliament takes. If parliament decides that it cannot support a government on a matter of major policy, our system does then provide for a referendum, a referendum to the people in an election.

Votes in a special referendum on a special subject would be by constituencies, and any cleavage on racial or geographical lines would be highlighted over the six or seven months period of the referendum and subsequent action. That seems to me to be a great disadvantage in the adoption of this constitutional procedure.

This disadvantage was emphasized in the debate in 1942, when the government came to parliament with a proposal for a plebiscite in that year. I quote from *Hansard* of January 26, 1942, and the words of the acting leader of the Conservative opposition, Mr. Hanson, when he said, as reported at page 26:

> Let this government—

—referring to Mr. Mackenzie King's government—

> —rise to the level of its duty; let it not be afraid to lead. A plebiscite is not a policy; it is the negation, it is the avoidance of a policy... Its purpose is to avoid rather than to face responsibility; it is to avoid rather than to enforce the performance of a duty. It is not a declaration of faith; it is a declaration of impotence.

So spoke Mr. Hanson at that time. The member for Lake Centre, now the right hon. gentleman, the Leader of the Opposition (Mr. Diefenbaker) speaking in the same debate on January 30, 1942, as reported at page 186 of *Hansard*, said this:

> Allow the members of parliament to vote on this question. Do not submit the question to the people of Canada, for in my opinion, the taking of a plebiscite at this time may well destroy the unity of Canada.

Later, when the decision was made, he said this on February 25, 1942, as reported at pages 836 and 837 of *Hansard*:

> A plebiscite is to be taken regardless of the fact that in the long history of Great Britain, with all the constitutional changes which have taken place, no government has ever submitted any matter to the people by way of plebiscite.

Mr. Speaker, I believe that the time has now come for the government, in our tradition of responsible government, to take action by submitting this resolution to parliament for decision. Parliament will then take the responsibility and parliament will decide. If the government resolution is defeated, then on a matter of such major importance the government has obviously lost the confidence of parliament. If an amendment is submitted, as I presume there might be, substituting the red ensign for the maple leaf design, and if it were passed, then that flag, by action of the parliament of Canada, would become the flag of Canada.

Some hon. Members: It is.

Mr. Pearson: By order in council it is, until parliament makes a decision.

Some hon. Members: Hear, hear.

Mr. Pearson: But if parliament accepts the resolution as it is now, then the flag in the resolution, accepted by parliament, will be submitted to the Queen for a royal proclamation, as is the proper procedure, and it becomes Canada's flag by true parliamentary mandate. It will not be the flag of a person or a party; it will be the flag of the people of Canada by the decision of their representatives in parliament.

Some hon. Members: Hear, hear.

Mr. Webb: A political flag.

Mr. Pearson: Mr. Speaker, I believe that this is the right procedure. I believe that this is the right moment in our history to take this decision. May I quote the Right Hon. Vincent Massey, speaking in Charlottetown on June 1 at the annual meeting of the Association of Canadian Clubs. He said then:

> Historians, I am sure, will point to the early 1960's as a time of doubt about our future as a nation, when we were subject to dangerously heavy constitutional and emotional strains; when the very structure of our national life was questioned; when people were prepared to ask whether the Canadian experiment was worth while; when union with a more powerful neighbour was talked about with a freedom that would have been looked on as treason in former years; when the cynics and the fainthearted dared to belittle the deeds of their fathers and instil doubts in their sons.

Mr. Speaker, I believe that a national flag of the kind described in this resolution, that will be exclusively Canadian, will bring us closer together; give us a greater feeling of national identity and unity. Today especially, as Mr. Massey has reminded us, we need faith and confidence in ourselves as Canadians, with pride in Canada, devotion to our country. I believe that the adoption of this resolution will help to produce that result. If I did not deeply and sincerely so believe, I would not be introducing it into this House of Commons.

Mr. Speaker, in taking this position, I know there are others—

An hon. Member: Joey.

Mr. Pearson: —who are as patriotic and as Canadian as I am or can ever hope to be, who disagree honestly and deeply. I respect that kind of honest disagreement. I know, also, that a flag issue is bound to raise strong and deep and genuine emotions. All national symbols have a deep meaning and create strong sentiments. That is why they are so important in national growth; in nourishing loyalty and patriotism among those who make up our nation. It is inevitable, therefore, that there will be strong emotional reactions when there is any suggestion that old symbols should be dropped, or adapted to new conditions and new needs.

Whatever our strength of feeling may be, however, on one side or the other I am sure we can discuss this matter in this house with respect for each other's views and in a way, as I said this afternoon, which will be worthy of the historic importance of this occasion. We have a responsibility to history in this debate and I am sure we all wish to be worthy of that responsibility, on whatever side of the house we sit. And when a decision is reached, whatever that decision may be, we will all, I know, abide by it and do what we can to secure its universal acceptance in this country.

Mr. Speaker, the resolution before us represents another stage in our development as a nation. It reflects and underlines a healthy Canadian nationalism—not a nationalism that is narrow or prejudiced or chauvinistic. There is no room for that in this age of interdependence, when the demands of even the most fervid nationalism have often to be subordinated, in the interests of the nation itself, to the requirements of internationalism.

And so, in its recognition of our new nationalism, the maple leaf flag of this resolution does not ignore the obvious truth that nationalism is not enough, or the equally obvious truth, as was pointed out to us some days ago in the house by the hon. member for Burnaby-Coquitlam (Mr. Douglas), that, while it is a heartening and stirring thing to have a distinctive national flag, it is even better to have it flying over a free and flourishing country with social justice and social security for all.

Why, Mr. Speaker, do I think it is a desirable thing to have a new flag now? In order to answer my own question I want to look at the record. The flags we have used for Canada have already changed as Canada has evolved from colony to self-governing dominion to independent nation, to a sovereign state respected among the states of the world. As these changes of symbol have taken place to keep pace with other changes, our formal links with the United Kingdom have changed also. But our ties of friendship and, for so many Canadians, of kinship, have not weakened. They are as strong as ever. But they are not now associated with any kind of political or legal subordination, and that makes it possible for them to be stronger. There are now ties of affection, respect, tradition and adherence to the same basic ideals, cherished links through having the same Queen and being members of the same commonwealth of nations. But as our formal ties have changed, and they have—I wish I had time to go over the record of the changes; it is a good record for Canada—so have our formal symbols changed.

In this evolution I believe that the time has now come for another change, by the adoption of a distinctive Canadian flag which cannot be mistaken for or confused with the emblem of any other country but Canada. I believe that a flag of the design described in the resolution would be a good one for this purpose, that it will symbolize and be a true reflection of the new Canada and, as such, will strengthen national unity and give us a deeper sense of national identity and national

pride. It will be something around which all Canadians, new and old, native born and naturalized, of all racial stocks, can rally, and which will be the focus of their loyalty to Canada. So I believe that the position taken in this resolution is forward looking, is responsible, is wise and is deserving of support by this house and the people of this country.

It is argued, Mr. Speaker, and I can appreciate the strength of the argument, that the flag of this resolution ignores our past. In my view it does not. No one would deny, of course, that we have a responsibility to the past. But we have also a greater responsibility to the present and to the future. Moreover, our responsibility to the past will be best discharged now by being true to its real substance and its real meaning and will relate that past to a united nation in the future. To do that, Mr. Speaker, we all have to make certain concessions of sentiment, as we have in the past as our nation has grown. May I quote the words of Premier Stanfield of Nova Scotia in this connection on April 6 last at the Canadian club in Montreal, when he said:

> Surely, however, it is not necessarily patriotic for me to insist that something I value highly must be adopted as a national symbol if it is objectionable as a national symbol to a large number of Canadians. Surely the Canadian thing for us to do is to find symbols which are mutually acceptable. Let us emphasize what we have in common. Surely we can have a national anthem and a flag that unites Canada.

In that same spirit the Canadian Chamber of Commerce not long ago adopted the following resolution at its annual meeting:

> That the parliament of Canada formally adopt and authorize a distinctive national flag.

Because, as the resolution went on to say:

> A distinctive national flag would be a strong, unifying influence, consistent with the status of full nationhood.

I should also like to quote a resolution of the Association of Canadian Clubs adopted at Charlottetown as recently as June 2 last, which reads:

> Canadian clubs in biennial conference assembled support a Canadian flag that is simple, dignified and distinctive; and offer their services, if and when parliament has approved a Canadian flag, in promoting its acceptance throughout Canada.

Some hon. members will say: Have we not such a flag now? I do not think so, and I should like to explain why I do not think so. The red ensign has served Canada honourably and well since it was designated for such service by order in council; but those who

are in favour of retaining it and making it permanent and official by parliamentary action must surely realize that basically—this is certainly no disrespect to the red ensign—it is the flag of the British merchant marine and that it is similar, except for a different coat of arms, to the flags of certain British colonies.

I have done some research on this and I have no doubt other hon. members have too. It is true, and this has a bearing on the distinctiveness of the red ensign and its identification with Canada, that apart from Canada and its merchant vessels more than a dozen merchant navies, British companies and other countries, British colonies, use the British red ensign as a base for their flags. Indeed, half of these are British colonies. The majority of these flags based on the red ensign have a badge or coat of arms in the fly which, at no great distance, may be easily confused with the Canadian shield, or vice-versa.

That, Mr. Speaker, seems to me to detract from the acceptability of the red ensign as a permanent distinctive and exclusively Canadian flag, truly representative of all the people of this country, and I am confirmed in this view when I examine, as I propose to do now, the way the red ensign developed for Canadian use.

The red ensign was first authorized in 1892 for use on Canadian ships by the British admiralty. It has since been authorized by the Canadian and British governments for Canadian use in various respects, but never by parliament as a national flag, and only by order in council until parliament has acted on a national flag.

It was, for instance, used on government buildings at the beginning of this century but, because of the lack of formal adoption as a national flag, it was withdrawn by the minister of public works from such use in 1908.

In an effort to clear up subsequent uncertainty as to what was the Canadian flag, even for government buildings, the colonial secretary in London stated in 1912 that the union jack was the national flag of Canada. And so it remained for many years; all through world war I, when the union jack was the flag of the Canadian forces under which Canadians served and under which many Canadians died. The red ensign, though many of my correspondents do not seem to appreciate this, was not in use during world war I in any way, shape or form for the Canadian forces.

It was not until January 26, 1924, that an order in council was passed authorizing the red ensign to be flown for limited use over all government buildings abroad, and that became essential because we were building up a diplomatic service and for obvious reasons we had to have some flag to fly over Canadian embassies that was not the union jack.

And so the situation remained until towards the end of world war II when in 1944, by order in council, the red ensign was authorized to be flown by our forces overseas. Then, on September 5, 1945, was passed that order in council to which reference has already been made more than once, decreeing that, until such time as action is taken by parliament for the formal adoption of a national flag, the red ensign may be flown wherever place or occasion may make it desirable to fly a distinctive Canadian flag. That is the authority given in 1945, not by parliament but by order in council, by which the red ensign has been flying as a Canadian flag.

It is very interesting to note that, as this evolution in our flag symbols took place, there was always very strong opposition expressed to any change. This was especially true when the red ensign was officially authorized to replace the union jack, when very great objection indeed was taken in certain quarters to the change from the union jack.

In my view, the time has come for a further and final change. If, as I believe to be the case, Canada needs a national flag and if the red ensign is not the most appropriate design for this purpose, what should that design be? In my view, it should be based on three red maple leaves because that is our formal and historic emblematic link with our Canadian past. The record shows this quite conclusively.

The maple leaf itself has been accepted as a Canadian symbol since long before confederation. It is deep in our history and in our traditions. Contemporary records all through the nineteenth century are full of references to it. For instance, during the visit of the Prince of Wales to Canada in 1860, all citizens of Upper Canada were asked to wear sprigs of maple leaves as the emblem of their land so that, in the words of the old Toronto *Globe*, they would be known to the world as Canadians. The symbolism grew until Canada came to be known, as it is known now, as the land of the maple leaf.

Canadian Flag

In war it has become the emblem of the men in uniform; their official and their unofficial emblem. The words "maple leaf", in fact are synonymous with Canada in uniform. Those words mean a great deal, as the maple leaf badge does, to all veterans of the two world wars. The official badges of the three armed services all include maple leaves, and have for a hundred years. A similar situation applies to regimental badges. Of the 462 cap badges of Canadian units in world war I, 409 included the maple leaf; of 133 in world war II, 83 included maple leaves. It is the official emblem of Canada in NATO and is the central device of the Canadian U.N. patch worn in Egypt, the Congo and Cyprus. It is on regimental flags, war service buttons, medals and decorations. It was used by the Royal Canadian Naval ships in world war II for identification by painting a large red maple leaf on the front.

Just after the end of hostilities in world war II the Canadians forces newspaper, the *Maple Leaf,* printed many letters from soldiers on the question of a distinctive Canadian flag, indeed they encouraged expression of viewpoint of the men in uniform who were at that time awaiting demobilization. A majority favoured a flag with a maple leaf design as a unifying element, representative of Canada itself, without reference in its design to one or the other of Canada's found-in graces. The Canada medal authorized in 1943 but not yet issued has three maple leaves conjointed on one stem.

An hon. Member: What happened to that?

Mr. Pearson: We will be resurrecting that, perhaps, one of these days.

A special copy on parchment of the bill of rights printed for distribution to schools, and with the name of the Leader of the Opposition (Mr. Diefenbaker) on it, bears three maple leaves on one stem, although I confess this insignia is not as prominent as I wish it had been.

The Leader of the Opposition, on December 20, 1963, as recorded on page 6226 of *Hansard,* in discussing the world fair symbol—hon. members will recall that debate when the house took violent exception to a symbol which has now been judged by North American experts as the symbol of the century—said this:

—I would have thought that this would be an ideal occasion to place the maple leaf in the centre to show it was Canadian.

[Mr. Pearson.]

I am inclined to think he was right. Then, as recorded on page 6233, the right hon. gentleman had this to say:

—I was particularly impressed—by the hon. member for Leeds, who pointed out that the official emblem of Canada is three maple leaves.

All this is pretty impressive sponsorship for the three maple leaves design.

Indeed, the three joined red maple leaves have for us a historic and heraldic significance which, in my view, make them preferable on a flag, to a single maple leaf which has not the same significance and has not, in fact, any formal emblematic authority; but that does not necessarily exclude it from consideration.

The three joined maple leaves first appear in our history in a heraldic sense in 1868, when Queen Victoria gave "armourial ensigns" to Ontario and Quebec based on a sprig of three maple leaves. The Great Seal of Canada also carries three maple leaves.

Mr. Aiken: So does the red ensign.

Mr. Pearson: So does the red ensign; indeed it does. I think it accounts for about one forty secondth of the flag.

Then in 1921, and I believe this is of very considerable and formal significance, an order in council was passed and a royal proclamation was issued approving arms for Canada which included, as the purely Canadian part, three maples leaves on one stem with the motto "A mari usque ad mare" and established white and red as the official colours of Canada.

If I may paraphrase this royal proclamation of 1921 establishing the arms of Canada, by simplifying the heraldic language, what it said in essence was this: The King, at the request of Canada, assigns to Canada the national colours white and red, and declares that the national emblem of Canada shall be three red maple leaves on one stem, on a white field. These shall be used to represent Canada on all appropriate occasions.

Surely, Mr. Speaker, that answers the two questions "What are our national colours"? and "What is our national emblem"? By order in council on April 26, 1922, this Canadian coat of arms replaced the shield formerly used on the red ensign, and in 1957, under the administration of the right hon. Leader of the Opposition, the arms of Canada with the three joined maple leaves were simplified and confirmed.

In 1939, at the beginning of the second world war, the government authorized a battle flag for the first division and presented

that flag to the commander of the division as it embarked for overseas. The basic feature of its design was three red maple leaves on a white background.

Then in 1962 the Queen adopted as a personal flag for Canada one which had in its design the three red maple leaves, joined, on a white background. This flag, which flies only over the place where the Queen is actually in residence in Canada and is not used or authorized to be used for any other purpose, was announced from the palace in London and government house in Ottawa as a "flag of the arms of Canada charged in the centre with Her Majesty's own device." This of course, was done after consultation with and agreement from the Canadian government.

In the light of this, Mr. Speaker, can there be any doubt that the design recommended in the resolution is a proper one; with Canadian history, Canadian tradition and official sanction on the highest levels behind it?

Some hon. Members: Hear, hear.

Mr. Pearson: It is because this design has such a history and because, with the blue sea-to-sea border, it makes a striking and beautiful flag, that the government is putting it before parliament in this resolution. The single maple leaf, I repeat, has not the same historical and heraldic significance even though it also, with the blue borders, I am told makes a very attractive flag.

Mr. Speaker, there was a second part to this resolution which, by your ruling, will now be considered separately, and of course I naturally accept that ruling. However, I think no one in the house will object to my making now just one point about the other part of the flag proposal which the government hopes the house will in due course consider and accept.

We are now considering the adoption of a national flag. In my view we would not contradict or weaken in any way the creation and the acceptance of that new flag if the house should also decide to recognize our historic past and our commonwealth presence by continuing to honour the flag which is particularly the flag of the monarch who is now the head, and the only head, of the commonwealth. We will be returning to that subject shortly.

My colleague, the hon. member for Leeds, (Mr. Matheson) recently put in essence the case for a national distinctive flag in these words:

> A flag sends a message. The question is what message do you wish to send?

Then he added:

> —It's time Canada had a flag that sent the message "Canada".

This, Mr. Speaker, is the reason why there is such strong support, I believe in this house, and I believe in this country, for the flag embodied in this resolution.

I have received a great many written and oral opinions about the flag in recent weeks. Most of the letters and telegrams I have received are in favour of what the government proposes. Many are opposed. Much of the opposition, I believe, is based on a misconception of the purpose and the meaning of our proposal. Much of it is due to a sincere, and indeed at times a passionate refusal to drop the union jack in any design of a national flag. I can sympathize with that feeling even if I do not agree with it.

This resolution does indeed mark a break with the past, as every accepted stage in the evolution of men and nations must mark a break with the past. But this break does not dishonour or repudiate the past, or the flag symbols of that past under which many of us have served and lived. I for one, and there are a great many others in this house who will support this resolution and who will join with me in this, honour those flag symbols, and I proudly acknowledge what they stand for in justice, freedom and human rights. I pay my tribute to the British people whom this flag particularly symbolizes and from whom we have inherited so much—a people whose courage and service to mankind has not been excelled by any other people in history. I have seen the union jack carried doggedly and heroically in combat; I have seen it flying defiantly over the fires caused by the bombing of London; I know something of the decency, the goodness and the fortitude of the British people. All this is part of our tradition, too—a proud part; it will not be betrayed in any way by the proposals in this resolution. None of these things will be altered in our minds and in our hearts when we support this resolution. We support it as Canadians, because the stand it takes is Canadian and because it marks another stage in the growth of Canada.

As I have said, I have had many letters stating that this is why the resolution is getting support from people of all races and walks of life and from every part of the country.

One distinguished Canadian citizen and soldier who has given me a very warm and

generous assurance of support for the Canadian flag of this resolution with a maple leaf design is Colonel Keiller Mackay, former lieutenant governor of Ontario, one of the founders of the Royal Canadian Legion and at the present time grand commander for Ontario. There are many others. I received this letter from a lady who signs herself as a member of the I.O.D.E. She wrote:

> Speaking only for myself I feel that anything and everything which will unite Canada from coast to coast is good. I want my children and my grandchildren to be glad and proud they are Canadians—not because their forebears came from England or France or any other part of the world but because they are part of one unique country, united from sea to sea.

I received the letter which follows from another lady, from Camp Valcartier, perhaps she is the wife of a soldier. In any event she writes from an army camp:

> Canada is a marvellous meld of many people with a wonderful mosaic of colourful backgrounds bound together with a common love of freedom and equality. We are grateful for a national flag which is, for many of us, the culmination of Canada's birth as a nation. Today, everywhere, Canadians must stand taller and prouder—for here at least is a flag that truly belongs to us.
>
> Now is the time for all of us regardless of race, creed or party, to unfurl the new flag with a new pride and happiness in our hearts and, please God, with charity in our hearts too, that will ensure the promise that the future holds.

I was also very interested to read the script of a broadcast delivered on May 29 by a former Conservative member and parliamentary assistant from Halifax, Mr. Edmund Morris. This is what he said in his broadcast:

> No flag design will satisfy everyone at the time of its inception. Once having determined that there should now be a designation of a national flag, it followed inescapably that some one design would have to be chosen by Canada in preference to the many hundred alternative suggestions. It has been said that if the United States were now to be choosing a national flag, there would doubtless be those who would oppose the stars and stripes.
>
> The challenge to opposition M.P.'s is to perceive that no single act could do more at this juncture for much-praised national unity that for them to close ranks with other M.P.'s and to make the adoption of the flag unanimous.

Some hon. Members: Hear, hear.

Mr. Nowlan: Which Halifax member is going to retire to provide a senatorial vacancy so that this man can be appointed?

Mr. Pearson: The hon. gentleman is too cynical.

Here is another very interesting letter from Mr. John J. Hogan, Q.C. of Bathurst, New Brunswick. He writes:

> A Canadian flag, distinctively Canadian is a standard long ignored, now desperately needed and an absolute "must" if we are to achieve our destiny.
>
> We all respect the threefold cross of Britain; the tricolour of France; the flags of those countries in which so many new Canadians had their origin, but we will love our own flag, and the sooner we can demonstrate that love, the better for all of us.

One of Canada's most distingushed soldiers, Major General R. R. Keefler, speaking on June 2, had this to say:

> I have been a member, in good standing, of the Canadian Legion, and I completely disagree with their present public attitude concerning the red ensign. In the first place, being a modification of the British merchant marine flag, it is by no stretch of the imagination distinctive or even identifiable by foreigners as Canadian.
>
> I suspect that the majority of Canadians would accept gladly one flag that is simply and uniquely Canadian. Whether the national symbol turns out to be one maple leaf or three maple leaves, is not so important. It is important, in my opinion, that the flag be distinctively Canadian.

There are those who say that this proposed flag does not portray Canada's history.

Some hon. Members: Hear, hear.

Mr. Pearson: I hear hon. gentlemen opposite saying "hear, hear".

Some hon. Members: Hear, hear.

Mr. Pearson: I hear them say it even more loudly.

In fact, it does more than that. It portrays the proud result of that history—one nation, independent, united and strong. It tells the result of our march to independence. It will portray our confederation fortified and united. In doing this, in symbolizing the end rather than the means, it recognizes all that our past has achieved. But it does more than look to the past, wherein lies our most vivid memory; it looks to the years ahead—

Some hon. Members: Hear, hear.

Mr. Pearson: It is the goal, not just the dream, of the millions who sought here new horizons of hope and happiness.

An hon. Member: Hallelujah!

Mr. Pearson: I am sorry hon. gentlemen opposite can mock this kind of debate and this kind of discussion. A member said "hallelujah" and I agree. Hallelujah, that we can have a flag which will symbolize this.

Some hon. Members: Hear, hear.

An hon. Member: That was the hallelujah chorus.

Mr. MacLean (Queens): I was rising on a small question of privilege. Had I known I was going to get so much applause I might not have done so. I hope I did not understand the Prime Minister (Mr. Pearson) correctly because he left the implication, to me at any rate, that certain groups in this house had a monopoly of loyalty to Canada or to this country.

Mr. Pearson: No one, Mr. Speaker, could take that interpretation from what I said; and nothing in what I said bore that interpretation or implication. On the other hand, if I wished to be sensitive I could say that no one on the other side of the house has a monopoly on loyalty for the things for which we stood in the past and for the people from whom we have descended. My hon. friend will remember that when I began this part of my speech I said that there were people in this house who violently object to the stand we are taking, and I said that I respect their objection. They are as good Canadians as I cculd ever hope to be.

I believe, Mr. Speaker, that the flag we are submitting in this resolution results not only from our growth but from our diversity, the achievement of peoples with pasts in other countries; but they are now concerned, as we are all concerned, with one future only, and that is the future of Canada. We are all concerned with Canada's future in a world at peace, in freedom and security. So this flag, if it is adopted by this parliament, will stand for one Canada; united, strong, independent and equal to her tasks.

Mr. Nowlan: What about the union jack? Are we to adopt that too?

Mr. Pearson: Mr. Speaker, I will be delighted to talk about the union jack, but when I mentioned it this afternoon I was howled down by my hon. friends opposite.

Mr. Nowlan: Mr. Speaker, on a question of privilege. The right hon. Prime Minister was not howled down. He began to read a prepared speech on the subject; and then whether or not he anticipated your ruling he apparently overlooked it. Then when he got in a mess he said he was howled down by the opposition. We were simply trying to make him conform with your ruling, and I would suggest that the Prime Minister does that in the future.

Mr. Pearson: I do not understand my hon. friend's interjection. When I began my speech this afternoon I read the resolution, and the last part of the resolution included that part which dealt with the union jack as the symbol of the commonwealth and the monarchy. Then before I could read the words that follow, the right hon. Leader of the Opposition (Mr. Diefenbaker) got up and stopped me.

Mr. Nowlan: Mr. Speaker, all I am doing is to ask the Prime Minister this. He is talking about the flag of Canada which is going to denote national unity. Is he taking the union jack which Joey Smallwood forced upon him, or is he going to take the other one?

Mr. Pearson: Mr. Speaker, if I answered that question you would rule me out of order, of course. However, I hope to answer it in due course when we discuss this part of the resolution separately, when I hope to satisfy my hon. friend's legitimate curiosity.

As I was saying when this interruption occurred, Mr. Speaker, this flag in the resolution, if it is adopted by parliament, will symbolize a Canada united, strong, independent and equal to her tasks. It will recognize that we cannot be saved or sanctified merely by the valour and devotion of our ancestors. It remains to us in each new generation to do our own duty in changing conditions. Our willingness to do that duty means adaptation and change. It means sacrifice; it means work; it means endurance. And how we meet this challenge in the future under what I hope will be a distinctive Canadian national flag will determine the destiny of our country.

In these restless, soul-searching days about which Right Hon. Vincent Massey spoke in Charlottetown last week we are being asked particularly to give to the hearts and minds of our children a feeling of national identity, national pride, national loyalty. We are asked to provide for them a symbol of our independent strength and of the bright promise of a future for them. We are asked to help them to be more conscious of our country and more proud of Canadian citizenship. Mr. Speaker, I believe that a distinctive maple leaf Canadian flag will help them in their search of this objective. I believe that it will stimulate them as they would be stimulated by the inspiring words of one of the great founders of confederation, D'Arcy McGee, when he wrote on this subject:

> All we have to do is, each for himself, to keep down dissensions which can only weaken, impoverish and keep back the country; each for himself to do all he can to increase its wealth, its strength and its reputation; each for himself...to welcome every talent, to hail every invention, to cherish every gem of art, to foster every gleam of authorship, to honour every acquirement and

every natural gift, to lift ourselves to the level of our destinies, to rise above all low limitations and narrow circumscriptions, to cultivate that true catholicity of spirit which embraces all creeds, all classes and all races, in order to make of our boundless province, so rich in known and unknown resources, a great new northern nation.

On the monument to Montcalm and Wolfe on the heights of Abraham are written these words—

Mr. MacLean (Queens): Have you put it up again?

Mr. Churchill: Is it still standing?

Mr. Pearson: That is a very unhappy intervention. "Are you going to put it up again?", my hon. friend says. On the monument to Montcalm and Wolfe on the heights near the plains of Abraham are written these words:

> Valour gave them a common death
> History a common fame
> Posterity a common monument.

Mr. Speaker, it is for this generation, for this parliament, to give them and to give us all a common flag; a Canadian flag which, while bringing together but rising above the landmarks and milestones of the past, will say proudly to the world and to the future: "I stand for Canada".

Right Hon. J. G. Diefenbaker (Leader of the Opposition): Mr. Speaker, as is known, I will not be in the house tomorrow and therefore I will have to restrict myself very considerably in these remarks. This evening I had hoped to be in Toronto to speak to those great lovers of freedom, the Baltic peoples—

Some hon. Members: Hear, hear.

Mr. Diefenbaker: —but my presence was needed here. I am going to speak at limited length tonight and keep within the bounds of what I hope will be reasonable expression. I shall try not to follow the Prime Minister (Mr. Pearson) in some of his inflammatory remarks, although I am going to welcome the opportunity before this debate is over to answer several that he made.

However, Mr. Speaker, it is of interest to note this, that there was no mention in all of his speech of the contribution of the people of French origin in our country. There was no mention of the contribution made by Sir George Etienne Cartier, with Macdonald, to the bringing about of confederation. This was a significant omission in every part of his remarks. As he concluded by quoting Thomas D'Arcy McGee's immortal words, that our purpose in this nation should be to build unity and to avoid dissension, I say to the Prime Minister this, "Physician, heal thyself. You have brought in, at a time when there are many other matters that ought to have received the consideration of the house, this question that cannot have any other effect than to divide this nation as it has not been divided."

The Prime Minister gave the house a roll call of anonymity coupled with a reference to two or three persons who had expressed themselves. I am going to give him an opportunity, before I conclude, to have a roll call of the people of Canada on this question; to give to the Canadian people, by the only means that can determine this question and on the basis of previous experience and precedent, to which he alluded, the opportunity to express their views on this subject. I want the government, secure in its concepts that it is right because it may be able to command a majority of the house, to give to individual Canadians everywhere the right to decide the question of the kind of flag that they believe will unify, strengthen and maintain the great traditions of our country.

The Prime Minister speaks as though he had the authority of the Canadian people. I think of some of the members from British Columbia. I see the hon. member for Victoria, British Columbia (Mr. Groos) sitting over there, representing a great constituency; I see members from Vancouver. I have before me the policies of the Liberal party as distributed throughout the length and breadth of British Columbia just prior to the general election of 1963. In them there is not one word about a distinctive flag with the union jack removed therefrom.

Some hon. Members: Shame.

Mr. Diefenbaker: Indeed, I remember so well that in Amherst on December 29, 1961, when he said something about a distinctive flag and was asked what would be on the flag, he said, "Of course, I will not tell you". He was afraid to face the people of Canada on this, because when the record was produced it was found he used the same excuse that he used with respect to the "Mr. Pearson" film of the C.B.C., "I could not understand some of the things being said". The answer he gave in 1962 to a broadcast station in reference to this question was, "I shall not let you know".

When did he, across Canada at any time, say that he intended to bring in a distinctive flag that had no reference whatever to Can-

ada's heritage and our past, to the contribution made by the French and by the British to the building of this nation? I ask that question, Mr. Speaker. There has not been one word. We have important matters to bring before parliament that deserve attention. The Prime Minister says he is bringing about unity in this country. I say to him that by this action—and the apologetic manner was apparent throughout his speech today—he realizes he has caused in this nation cleavages and fissures and separations that more than a generation of people to come will recall, those that have strong opinions either way—and he mentioned that—or conscientious opinions either way, but certainly strongly held. No one in this nation today would say that there is an overwhelming majority of opinion in favour of the change he is trying to bring about—and he knows he can do it—to separate this nation from the past. He says that when the maple leaf design is produced, it will be peculiarly Canadian. Well, all I have to say in that connection is this. While I wore the maple leaf badge, too, in the first great war—and I was proud of that—and while everyone realizes that under the Meighen administration the national symbol of Canada was declared to be the three maple leaves, not since that date in 1921 has any leader of this nation claimed that a distinctive national flag should be other than the union jack, with also a reference to the French contribution upon it.

Mr. Nowlan: Meighen would have died if anyone had suggested that to him.

Mr. Diefenbaker: As a matter of fact, I am going to refer to the committee of 1945 and of 1946. I followed the Prime Minister (Mr. Pearson) in the views he has expressed. I recall the speech he made at a resort in April or May of 1963 when he spoke of two nations, two flags, two anthems. Is this the way to bring about unity within this country?

Mention was made today of Macdonald. What did Macdonald say? He viewed Canada as one nation despite the fact that the Minister of Trade and Commerce (Mr. Sharp) ridiculed this in a speech very recently. On the other hand, the Prime Minister said this evening that he believed in one Canada and that this action would produce one Canada. It will produce one Canada, separate as never before, and that is the reason I am going to make a special appeal to him.

What did Macdonald say? Speaking in the provincial parliament of Canada in 1865 he said that we shall build "a great nationality commanding the respect of the world, able to hold our own against all opponents and to defend those institutions we prize."

Cartier at the same time said, "We are joined together". He went on to say that only through British North American confederation could we prevent absorption into the vortex of American confederation. He went on to say that was contemplated at the time of the American union. He said, "We shall build in Canada a unity", and went on:

> As early as 1775 the French Canadians were solemnly addressed in a proclamation by General Washington who called upon them to abandon the flag of their new masters, inasmuch as they could not expect anything from those who differed from them in language, in religion, in race and in sympathies.

He said, "Not two nations", and then:

> The question for us to ask ourselves was this. Shall we be content to maintain a mere provincial existence when by combining together we could become a great nation?

With regard to the objection that a great nation could not be formed because Lower Canada was in great part French and Catholic and Upper Canada was English and Protestant and the lower provinces were mixed, he said that was futile and worthless in the extreme.

They builded this Canada and they brought it together. All through the years references have been made to flags. I heard Mr. Mackenzie King speaking in the house on a number of occasions and the stand that Mr. Mackenzie King took was this: We want a distinctive flag for Canada, but no one can contemplate a distinctive flag without the union jack being included therein. On the 21st of June, 1943, he said, as found on page 3823 of *Hansard*:

> A national flag is one which normally is used by a single nation only, and which is used to distinguish that nation from others at international gatherings and to serve as a symbol of it. The red ensign, with the union jack in the first quarter next to the staff, and the Canadian coat of arms in the fly, has for over 70 years been very generally used in situations where a flag specially distinctive of Canada was essential.

I call Mr. Mackenzie King, gone to his reward, to the attention of the Prime Minister, about to secure his reward. Yes, I am reading from Mr. Mackenzie King, and I know the Minister of Transport (Mr. Pickersgill) will say that everything here is confirmed by him.

> It was first authorized by the government of Sir John A. Macdonald shortly after confederation for use on Canadian merchant vessels. Its use as a distinctive emblem on all buildings owned or occupied by the Canadian government and situated outside of Canada was authorized by order in council on January 26, 1924. It has been popularly

accepted as a flag distinctive of Canada. The union jack, while not a flag distinctive of Canada, may correctly be flown on land in any part of His Majesty's domains.

I question whether this would be a suitable time at which to have parliament determine which particular flag—the union jack, the red ensign or some other flag to be specially designed—should be declared to be the national flag of Canada.

Then in 1944 he used very strong words in this regard. I spoke in the debate on external affairs and said something should be done about bringing about a Canadianism within our land, Canadian citizenship and the like, and also that action be taken in respect of a flag. He went on to say, as found on page 6276 of *Hansard* for August 11, 1944:

And anyone who raises the question of race to prejudice anyone of another race in this country is doing the greatest disservice that can be done to Canadian unity and to Canadian nationality. And not only do I wish to see our people recognized as Canadians, but I also wish to see a Canadian flag recognized in this country.

Those were the days in 1944 when the Minister of Transport was, one might say, at the periphery of prime ministerial greatness.

Some hon. Members: Oh, oh.

Mr. Diefenbaker: Mr. Speaker, they will not laugh when they hear the next paragraph.

I would like to see it the flag that our Canadian men are fighting under today. We have a Canadian flag unfurled in battle today by our very brave men in Italy and in France. I think in time the people of this country of Canada will say we want to have as a Canadian flag the flag they are carrying in battle today.

I know, Mr. Speaker, I am just giving the gospel according to Mackenzie King. The Prime Minister did not sit under him but I am fairly certain he had an official position. Then Mr. King went on to say, and I can give the quotation if anybody wants it, that as far as a flag for Canada was concerned he could not under any circumstances see such a flag without having thereon the union jack as part of that flag.

What has happened? I know there are different views on this matter. Some say they want the Canadian ensign. Others say they want changes made in the Canadian ensign in order to show fully the fact that our two races were brought together in confederation.

What about a distinctive flag? There is a new definition being given to a distinctive flag by the Prime Minister. He would have us believe that a distinctive flag is one upon which there is no reference to the heritage of our country, nothing of the greatness of its past. He said: Don't worry about the past; we are going to look into the future. I am not going to make any reference to the tremendous inspiration he apparently has in mind will be aroused in the hearts of Canadians as they look at this new emblem he has produced. But I am going to say this. In 1945 a committee was set up. The Secretary of State for External Affairs (Mr. Martin) was a member of that committee, as was the hon. member for Kootenay West (Mr. Herridge). There is no mistake in that connection. The resolution appointing the committee referred to the fact it was expedient that Canada possess a distinctive national flag, and a joint committee was set up to consider and report upon a suitable design for such a flag. The Secretary of State for External Affairs (Mr. Martin) attended the committee meeting on December 4, and he said this:

In the new world we will be better fitted to do our part if we have an essential feeling of internal unity and oneness.

He also stated that the committee was to report on a suitable design for such a distinctive flag. He said that it should be a symbol of this great nation, one to which affection and loyalty could be attached and which could become a sign of unity and purpose and make Canada great. The minister of justice of that day, Hon. Mr. St. Laurent, had said this earlier. Hon. Mr. St. Laurent, when he was prime minister and while he was minister of justice had no other view than that, in the union jack being upon the flag of Canada, there was no suggestion of subservience. He said, and I am simply paraphrasing his remarks, that it is simply bringing to the notice of all Canadians what they owe to their British traditions.

I believe there are many who would like to see the preservation of the red ensign but are only too willing, in the interests of bringing about national agreement, to have something additional placed thereon. This was the situation in 1945 and 1946. What should be done about it? Well, the decision in 1946 was this:

Your committee recommends that the national flag of Canada should be the Canadian red ensign with a maple leaf in autumn golden colours in a bordered background of white, replacing the coat of arms in the fly; the whole design to be so proportioned that the size and position of the maple leaf in relation to the union jack in the canton will identify it as a symbol distinctive of Canada as a nation.

This was the recommendation made by this committee, and the vote on it was 23 in favour and 1 opposed. The one opposed was Mr. Lacroix. I point out that fact. The members of all the various races met there and

they did not regard a distinctive flag as one that would separate us from our past. Indeed, the Secretary of State for External Affairs being the heraldic expert of that day—he has since been replaced by the hon. member for another constituency—said that these are the detailed specifications for the ideal Canadian flag. I am reading from the bottom of page 4 and the top of page 5. It should be easily recognizable and not like any other.

Now, mention was made of the maple leaf this evening. Certainly, in two world wars the maple leaf was generally recognized as Canadian. However, it is interesting to note that in 1915 the state of New York adopted the maple tree as its official tree, representative of the state.

The flag should be visible at a distance. Now, that is an interesting thing. I ask you, how far you are going to be able to see that white flag in winter?

Some hon. Members: Oh, oh.

Mr. Diefenbaker: As it so happens, that is one of the qualities that is required, and mention was made of that in the evidence given before the parliamentary committee. Hon. gentlemen opposite, therefore, have not even read the records of 1945 and 1946.

The flag should be symbolic of the country and its position as a sovereign state in the family of nations, lending itself to a variation for different purposes.

Mr. Martin (Essex East): Why not read 4 and 5 as well?

Mr. Diefenbaker: I read all five of them. I simply judge, after reading all five, that what is being produced today in this resolution does not in any way meet the qualifications that were then suggested by the hon. gentleman. The flag is a symbol of unity and not a symbol of the most bitter division in Canada. As this country approaches its one hundredth anniversary, surely the Canadian people should not have forced upon them at the will of a government enjoying whatever support it has through third parties in this house or elsewhere, a flag that is today being criticized so widely. It is no time to play with Canadian unity. It is no time to bring about division within this nation.

What about the circumstances under which it was produced? I understand it was incubated in nine days. What has been happening in the last few months since this government has gone into this field of dominion-provincial relations, national symbols and the like, has been strong blows at unity, driving wedges between province and province, race and race. Indeed, as a result there has been encouraged a rise in emotions such as has not been seen in this land. Sir, this is why, in discussing this subject one does not wish to do anything to arouse emotional feelings. If the government had calculated a means whereby division could be secured in this nation, they could not have gone about it in a more effective manner.

I sometimes wonder whether what is being done is designed to distract attention, to create a diversion from the confusion and the chaos of the government in so many fields since it took office. I say this, why was not a committee of parliament set up, of both houses, as took place in 1945, when agreement was arrived at? However, for some reason, that recommendation was not carried into effect. Why should there not be some action taken to bring about a flag that is distinctive? This does not mean distinctive, because it has not anything to show the British relationship of this country and its past, or distinctive showing the great contribution during the past of the French period, nothing on it showing the tremendous contributions under British rule such as parliament, the rule of law and freedom. Why are these things to be swept aside—simply because a government believes it has the power? When the Prime Minister indulged in quotations he did not think of bringing to the attention of the house the letter he received from the various intellectuals who signed that message of May 27.

Mr. Pearson: Mr. Speaker, I received no such letter.

Mr. Nowlan: He did not read it, that is all.

Mr. Diefenbaker: This is not the first time they have not told him in his office. That letter read:

> We believe, as you do, that the flag should be a source of national unity, and that it should be unmistakably Canadian in character. However, we protest that the maple leaf flag is neither of these things. Its only advantage is that it is innocuous, that it produces tepid approval, mild disapproval, or indifference, and that it can therefore be adopted without any display of strong feeling whatever. We have a despairing feeling that this insipid flag, instead of promoting national unity, will produce only an indifferent response, and in doing so will subtly undermine the Canadian will to survive. We believe profoundly that this negative approach to our national symbols erodes our national spirit.

I could quote a great deal more but I will see a copy is sent to the Prime Minister for his private edification.

Mr. Pearson: I would not like to mislead the house, Mr. Speaker. I received no such letter but I did get a letter on my desk. It was addressed "Dear Mr. . . ." blank, and there was no signature to it, but it had that body.

Mr. Diefenbaker: Mr. Speaker, the attitude of retreat has become almost a regular course. Now, sir, I mentioned the necessity of action being taken to bring about modifications. What are some of the objections that can be raised as against the flag design in this resolution? First, there is the domination of parliament by the executive. We had that during the days of the pipe line. We are having it today on the part of this government, for a few minutes ago the Prime Minister left the impression that in the event that parliament decided on the free vote which he offered, and it was against the particular type of design he placed before parliament, the government would consider itself defeated. Only a few weeks ago he said, "Oh, we will give you a free vote in parliament."

Second, it simply means this, that the government has adopted as its definition of a distinctive flag, any one that does away with the union jack. Well now, why? Australia and New Zealand do not do away with the union jack on their flags. Other parts of the commonwealth do not, but why is Canada taking this lead?

I think that even today South Africa in its flag carries the union jack. As a matter of fact the flag of Hawaii carries the union jack. Why is this removed? Surely Canada deserves something better than having a symbol, the symbol of three maple leaves, effective as a symbol and brought in by a Conservative government under the Right Hon. Arthur Meighen. But a symbol is a long way from a flag which should epitomize something of the past and of the greatness of a country and thereby includes its people in the potentialities of the future.

I believe, as I did when I spoke in this house on February 4, that this matter should have been placed before a conference of the provinces and the dominion, securing their views, not because they would have any authority but because they would bring about a spirit of Canadianism, agreement, and the meaning of Canadianism. We endeavoured to call such a conference together. The scope of the conference would be to study ways and means of repatriating the constitution—

> —the problem of adequate representation in the public service, crown corporations and other government agencies; the recommendations in the Therrien report; the choice of a national flag and other symbols of our national sovereignty. In brief, the conference will be asked to examine biculturalism and bilingualism in a comprehensive manner.

That was not followed. We were defeated. A royal commission was set up for the purposes of dealing with Canada's national problems and then suddenly, without having directly at any time pointed out that one of the first things to be done would be to produce a so-called distinctive flag without any commemoration of the country's past, the Prime Minister rushes in to produce the subject matter of this resolution.

Sir, you cannot have a national conference now; but the basic condition of good government is consent, the consent of the governed, in other words, the people. Is there any national determination that we should turn our backs on the past, that we should forget everything that has gone by—

Mr. Grégoire: Ask Balcer.

Mr. Diefenbaker: —and that we should produce something innocuous and insipid.

Why was it that no action was taken following a recommendation of the committee in 1946? I do not know, but I do know that General Crerar, the commander of the first Canadian army in world war II, stated when he was in Ottawa receiving the official welcome of the government of Canada on August 8, 1945, that right hon Mr. King made a statement that is significant of his views, supported as those views were by those of Mr. St. Laurent:

> As we moved away from the central entrance of the parliament buildings, Mr. King turned sideways in the car and looked upwards to the peace tower where, at the top, the Canadian red ensign waved. He then said, "And that, General, is another problem which your Canadian army has solved for Canada—the manner of our national flag."

That was his view. As I see it a national flag must bear the history of its country in its fullest. Otherwise it is meaningless. I quote from Barlow in his history:

> The study of flags is really the tracing of history by sight.

In other words, it is accepting for those countries newly become nations, great nations, strength and inspiration from the past as they go forward to the future. Sir, to bring about

a change that denies our past requires a degree of national agreement. I do not say unanimity, but I do say the intangible element of the spirit of all Canadians, a national unity determined by the proof of national identity.

There is in all our hearts deep and abiding Canadianism. Canadians think of themselves as Canadians and as nothing else. I do. My people come from two races but I think of myself as a Canadian; and always, from my earliest days in this house, I advocated a Canadianism unhyphenated while fully recognizing the constitutional rights under our constitution and the British North America Act.

You cannot force a flag on the people of Canada and secure from them that mystic something which some ridicule as nationalism —the patriotism of men and women who love their country. A flag design is not a trick by which one group imposes upon others some evidence of a Canadianism that all will not accept.

I have admitted that for many years there has been a sentiment for a distinctive flag. I have shown that a distinctive flag is now being defined as it never was in the past—as one which denies Canada's past. It is a strange thing that we are being asked, and in haste, to reverse the past, to accept the design of the Prime Minister which he unveiled at 24 Sussex street to a selected audience, before parliament had it. The desire for a flag is one thing; agreement on a design is another.

There have been many suggestions. I have received many outstanding ones. I should have thought that instead of saying to parliament, "This you do, or parliament will face the consequences" some other course would have been followed. This is not the way, in a spirit of Canadianism, of toleration, of understanding, in which a thing like this is brought about. A flag is not something which can be ordered by parliament. A flag must be something to evoke the emotions of the heart, a rallying point for the finer sentiments of the people joined together in a nation. We have come to agreement on many things throughout the years. After all, surely there is not such a rush. Surely we do not set a zero hour for the determination of something which the Prime Minister says will be ours always? That is the finality which he places on a design chosen by himself and preferred by him.

Mr. Grégoire: Well, you had five years in which to do it.

Mr. Diefenbaker: Cannot we, in the spirit of unity in this country—not with one group or another trying to press the crown of intolerance on any part of the country—cannot we bring about something which will represent Canada? This is the opportunity for the Prime Minister to rise to statesmanship, to depart from the course of partisan extremism—

An hon. Member: Oh, oh.

Mr. Diefenbaker: I see that the main derisive applause comes from those who would separate this country.

Some hon. Members: Hear, hear.

[*Translation*]

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

[*Text*]

Mr. Speaker: Order. There are only a few minutes remaining and I understand the Leader of the Opposition may not be here tomorrow. He should be entitled to those few minutes.

Mr. Caouette: A question of privilege.

Some hon. Members: Sit down.

Mr. Diefenbaker: I therefore suggest a national referendum—

Mr. Caouette: A question of privilege.

Mr. Speaker: I would ask the hon. member for Villeneuve (Mr. Caouette) to allow the Leader of the Opposition to finish his discourse.

Mr. Pearson: Mr. Speaker, surely the question of privilege must be heard—

Some hon. Members: Oh, oh.

Mr. Diefenbaker: I have the floor. The Prime Minister cannot interrupt me. This is exactly the trick he has tried to play before. I want to move my amendment.

Mr. Speaker: Under the rules of the house I must interrupt the proceedings and listen to the question of privilege.

Mr. Diefenbaker: I wish to move my amendment—that all the words after "that"—

Mr. Speaker: Perhaps by unanimous consent we would be able to extend the time a little further.

Mr. Pickersgill: We agree.

Canadian Flag

[*Translation*]

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

The Leader of the Opposition states that our group is trying to divide the country; I will tell him, before all hon. members, that the speech he is now making will divide the country.

[*Text*]

Mr. Diefenbaker: The applause from the Liberal party after what has been said indicates their agreement with the hon. member. I wish to move—

Mr. Caouette: Mr. Speaker.

An hon. Member: Will you shut up?

Mr. Diefenbaker: I move:

That all the words after "that" in line one be deleted and the following substituted:

"As the proposal to change Canada's national flag will affect the unity and destiny of Canada now and for years to come, the government be authorized to take such steps as may be necessary to conduct a plebiscite prior to any further action being taken by the House of Commons, in order that all Canadians may be given their rightful opportunity to declare their choice concerning a national flag."

[*Translation*]

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

Would it be possible to have that amendment in French?

An hon. Member: Two official languages.

[*Text*]

Mr. Speaker: In the short space of time that is left I should like to say that although the suggested amendment reads like a statement of principles it does, neverthless, in my opinion, have to do with the method, which is one of the things we are considering. I propose, therefore, to accept the amendment.

Some hon. Members: Question.

Mr. Martin (Essex East): On a point of order, would Your Honour give an opportunity for hon. members who wish to do so to indicate why this amendment is not in order?

Mr. Speaker: I waited—a short time, I admit—but no one seemed to indicate any disapproval. And I may tell the house I am prepared to give reasons why in my humble opinion this motion is in order.

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

Some hon. Members: Question.

Mr. Speaker: The hon. member for Burnaby-Coquitlam.

[Mr. Pickersgill.]

Mr. Douglas: Mr. Speaker, may I call it ten o'clock.

Mr. Speaker: The hon. member for Cumberland (Mr. Coates) called it ten o'clock.

Mr. Diefenbaker: Mr. Speaker, I think the hon. member for Burnaby-Coquitlam (Mr. Douglas) should have the floor.

BUSINESS OF THE HOUSE

Mr. Churchill: Mr. Speaker, may I ask what is the business for tomorrow?

Mr. Favreau: Tomorrow, Mr. Speaker, the debate on the present resolution will continue.

PROCEEDINGS ON ADJOURNMENT MOTION

(Subject matter of questions debated under adjournment motion).

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

CANADIAN FLAG—REPORTED THREATS TO SUPPORTERS OF RED ENSIGN

Mr. Robert C. Coates (Cumberland): Mr. Speaker, on June 4 I posed a question to the Prime Minister with regard to threats which were made on the lives of Canadians who were supporters of the red ensign and of its retention as Canada's national flag. At that time the Prime Minister replied to me in a manner which I considered unsuitable from many points of view. One of the points of view which caused me a great deal of irritation was the flippant manner in which he treated the threats which were made on Canadians because they supported the red ensign.

In this connection I should like to refer to an article which appeared in the Toronto Daily *Star*, which said, among other things, that Richard O'Hagan, spokesman for the Prime Minister, said that the Prime Minister was joking. Well, Mr. Speaker, when the point is arrived at in this country where the lives of Canadians are threatened, and not only their lives but the lives of their families are threatened, and the Prime Minister treats this as a joke, then in my opinion the whole matter relating to a national flag has reached that sense of proportion that it should be removed from the public until the point is reached where a sense of proportion can be given to the matter by the Prime Minister of this country.

At the same time and on the same date, June 5, there appeared in the Halifax *Chronicle-Herald* the following headline: "Threats to P.M. over flag". Here is the Prime Minister of this country facetiously making statements in reply to serious questions, which are interpreted in one way by the Prime Minister's office, and by his officials who answer the telephone, as meaning that no one really cares in his office whether Canadians were being threatened, and by another newspaper which did not obtain the same information as meaning that a very serious situation had developed in this country as a result of this flag issue. Regardless of what the spokesman in Mr. Pearson's office had to say, it is my opinion that the headline in the Halifax newspaper was more closely attuned to the feelings of Canadians with regard to this flag issue. It is the type of issue that has inflamed the passions of Canadians; it is the type of issue that can only result in further divisions in this country; it is the type of issue that will promote bigotry and bias and all the things the Prime Minister endeavours to tell the Canadian people he does not wish, and indeed is endeavouring to eliminate. At the same time, if the statement by Mr. O'Hagan is correct, it is an indication of just how much out of touch is the present Prime Minister with the views of Canadians in this country in relation to their symbols, and especially in relation to the flag now flying.

How far are we expected to go in this country when we hear reports of people being threatened with their lives because they support the red ensign; when we hear reports of red ensigns being burned, as was reported in Toronto recently; when we pick up newspapers from all across this country and see Canadians making the statement that all the Liberal party is doing with this flag issue is selling out to the province of Quebec.

An hon. Member: Shame.

Mr. Coates: "Shame" does not mean a thing from over there. It is the people in every province in this country who are saying it.

An hon. Member: Why are you saying it?

Mr. Coates: I am saying it because these are the facts of life, and it is about time that you in your life faced up to these facts.

Mr. Clancy: Yes, you have slowed us up for years.

Mr. Coates: This type of retort coming from the benches of the Liberal party is just an indication of the highly charged, emotional state of the Canadian nation as a result of this flag issue; and it is an issue which should not be treated lightly, as the Prime Minister tries to treat it every time someone asks him a question about any flag except his personal choice. This type of facetious reply received from the Prime Minister is as great an irritation to Canadians generally as anything that can be said about this flag issue. Why the passions of the Canadian people have been allowed to be aroused to the extent indicated in the initial day of this flag debate is more than I can understand and more than most Canadians can understand.

Mr. Speaker: Order. I am sorry to interrupt the hon. member, but his time has expired.

Mr. D. S. Macdonald (Parliamentary Secretary to Minister of Justice): Mr. Speaker, the hon. member who has just sat down has in his solemn way given the house what, even by his own admission, he does not know to be true, or false statements. He made reference to a statement appearing in the newspaper with regard to the purported remarks of one of the staff of the Prime Minister's office. He himself threw doubt immediately on the soundness of his own proposition by saying, "if the statement by Mr. O'Hagan is correct". I would remind you, Mr. Speaker, and hon. members of this house that it is the obligation of the hon. member not to guess at whether it is correct or not; he stands on the words he has tendered to this house. If he has not gone to the trouble to find out whether or not they are correct, then his words are not worth listening to.

I must say, Mr. Speaker, that I had to get out the Parliamentary Guide to look up the hon. member's qualifications because I was baffled by his statement. The statement which the Prime Minister made on June 4 in answer to the hon. member is found on page 3925 of *Hansard* and reads as follows:

> Mr. Speaker, if the hon. gentleman will send me a copy of his report I will be glad to examine it, and if the circumstances warrant it can be passed on to the police and to the mayor of Ottawa.

I point out, Mr. Speaker, that this is the responsibility of the provincial authorities and more particularly of the municipal police of this city.

Mr. Coates: Mr. Speaker, I am not arguing about that statement.

Mr. Macdonald: Mr. Speaker, I have a right to my full three minutes.

Mr. Coates: The Prime Minister said—

Mr. Speaker: Order. There must be some decorum here. The hon. member for Rosedale.

Mr. Macdonald: I can understand the hon. member trying to cut me off because he cannot bear to have the truth of the matter put on the record. I point out that if the hon. member was sincerely interested in bringing this matter to the attention of the provincial police or the municipal police authorities it was his obligation to do so.

Mr. Coates: I did not have to do so.

Mr. Macdonald: Did he bring it to the attention of the Prime Minister as the Prime Minister invited him to do? My information is that he did not. This is a rather cynical attempt at a partisan political attack and I think it can be rejected as of absolutely no value whatsoever.

Mr. Clancy: May I ask a question of the hon. member? Is he giving the policy of the government?

Mr. Speaker: Order.

HOUSING—REQUEST FOR FURTHER CONSIDERATION OF REDEVELOPMENT PROJECTS

Mr. H. E. Gray (Essex West): Mr. Speaker, on June 10 I asked the Postmaster General the following question, as found on page 4152 of *Hansard*:

> Now that the amendments to the National Housing Act have been passed by the house, will the minister cause further consideration to be given to extending federal government assistance to a proposed municipal project to acquire land for the redevelopment of an area in downtown Windsor for commercial purposes, and to similar projects throughout Canada?

I suggest that this is a matter of urgent interest and concern, Mr. Speaker, to many cities and towns throughout Canada, cities and towns that have downtown areas now used for commercial purposes which are fitting areas for urban renewal. Until the recent amendments to the National Housing Act the federal government, it was understood, could not participate in projects to acquire and clear such areas unless they were to be used later for housing purposes. But in many cases, Mr. Speaker, I suggest that a use involving housing would not have been and would not be the highest and best use, the most logical use for the land in question.

Many municipal governments felt they should be able to propose plans of urban renewal incorporating the most logical use for these downtown areas. Such a use in many cases would be commercial or even industrial. After all, there might already be commercial areas all around it, and to permit such land to be used later for commercial purposes might give further aid to the construction industry because of the more complicated buildings that would be involved.

Housing or apartment projects once built might give employment only to a few caretakers or maintenance men. Building housing commercial or industrial enterprises could well give employment to hundreds or even thousands. Also, commercial or industrial buildings could return a greater tax revenue to the municipality and, as one member of the house has suggested, such a use might be a further source of funds for the building of public housing elsewhere.

Now that the National Housing Act has been amended I think it most important to ask the question I placed before the house the other day, since it seems to me that there is some lack of understanding of the effect of these amendments on the part of certain municipal officials in some parts of Canada. In answering this question I hope the minister, who I am happy to see is in the house, will be able to clarify, therefore, exactly what the federal government will now be able to do and how far it can go in assisting in projects of urban renewal, where there are areas now used for commercial purposes and where it is proposed they be used later for similar purposes, because of the importance of facilitating renewal of the cores and hearts of our cities.

Mr. Winch: Mr. Speaker, I move we adjourn for lack of a quorum. We are seven short.

Mr. Speaker: I do not think I heard the hon. gentleman, and I think I see a quorum.

Mr. Clancy: Mr. Speaker, I rise on a question of privilege. There is no reason why the hon. member who has just spoken could not have obtained an answer from his minister. He is a member of the government. We are wasting our time. This is our grievance period, not the government's. They can do anything they want and they have the power to do it. He has wasted ten minutes now. Why did he not see the minister?

Hon. J. R. Nicholson (Postmaster General): When this question was asked in the course of the debate on June 2, I said that the answer had been given in my remarks. I referred the hon. member for Essex West

(Mr. Gray) to my remarks at page 3794, the second column, the last paragraph on that page. They were in the first three paragraphs on page 3795.

Under the old act, that is the one that is still in force actually until we have royal assent for the new legislation, section 23, as pointed out by the hon. member for Essex West, required that in order to get a contribution from the federal government toward urban redevelopment or renewal projects, a substantial part of the area had to be used for residential purposes, or else had to be used for residential purposes after the urban renewal program had been put into effect. This clause has now been repealed, or at least it will be repealed if and when the new bill, C-102, becomes law.

Under the new legislation it will be possible for the federal government or Central Mortgage and Housing Corporation, to make grants to municipalities who request it for the clearing of lands which may be used wholly or partly for residential purposes wholly or partly for commercial and industrial purposes. I point out, however, that while the federal government can contribute its share towards such a project, it cannot lend funds for the building of industrial plants on that prepared land.

TRADE—BEEF—STEPS TO INCREASE EXPORTS TO GREAT BRITAIN

Mr. C. S. Smallwood (Battle River-Camrose): I shall be brief. When I asked my question of the minister the other day I felt it was important to the economy of Canada as well as to the beef producers of Canada. Since that time I have read that Argentina, one of the world's leading beef producers, has ordered meat rationing and is imposing export controls to ease the beef shortage caused by two years of drought.

In order to be brief, I shall repeat my question to the minister. I should like to ask the Minister of Trade and Commerce, in view of this serious shortage of beef, will the minister inform the house what action his department has taken in regard to the export of beef to Great Britain? I ask this question in the interests of the economy of the country and the beef producers. May I have an answer?

Hon. Mitchell Sharp (Minister of Trade and Commerce): For some months, Mr. Speaker, my department and the Department of Agriculture have been following the developing beef situation in both the United Kingdom and on the continent of Europe. Our trade commissioner in London has been making a special study of the situation and has kept our Canadian packing houses fully apprised of developments. I understand that a number of these firms are now in touch with their agents in the United Kingdom in an effort to develop some sales.

The problem had been, but is now growing smaller, that Canadian prices were somewhat out of line. The spread is now becoming narrower and therefore we are continuing our efforts to sell beef, in the expectation that it will come into line and that we shall be able to supply part of that market. I am unable to say exactly what the spread is at the moment because, of course, there are so many cuts and so many qualities of beef concerned.

I would like to assure the hon. gentleman that, like himself, we have been following the situation very closely and share his concern to enlarge our market for beef overseas.

Motion agreed to and the house adjourned at 10.24 p.m.

HOUSE OF COMMONS

Tuesday, June 16, 1964

The house met at 2.30 p.m.

PRIVILEGE

MR. GRÉGOIRE—MEETINGS OF RAILWAY COMMITTEE DURING FLAG DEBATE

[*Translation*]

Mr. Gilles Grégoire (Lapointe): Mr. Speaker, I rise on a question of privilege with reference to the statement made in the house by the Minister of Transport (Mr. Pickersgill) on June 10, 1964, when he introduced a motion to refer the annual budgets and reports of the C.N.R. and T.C.A. to the standing committee on railways, canals and telegraph lines. At that time the Minister of Transport said:

> I can assure all hon. members...that any substitution of membership desired by any party will be promptly made by the whip.

Now, Mr. Speaker, in respect to the sittings of the committee on railways, canals and telegraph lines, the substitutions desired by our party have not been made, because we were informed too late that the representatives of the C.N.R. would appear this week before the standing committee.

This happens at the same time as the very important debate, mentioned yesterday by the Prime Minister, on the Canadian flag.

That is why, Mr. Speaker, we feel that the Minister of Transport, as he always did in the past, should today comply once more with his statements and see to it that the standing committee on railways, canals and telegraph lines will not sit as long as the matter of the Canadian flag will be before the house, first of all, because of the commitment he made on June 10 last, as stated on page 4142 of *Hansard,* right hand column.

Second, we ask that the committee should not sit this afternoon or this evening for the very important reason put forward by the Minister of Transport this morning, in the committee, when he said that he could not be present at the sittings of the committee because of the very important matter now before the House of Commons.

Third, we think that this committee will not be able to sit, not only this afternoon, this evening and tomorrow but as long as the flag matter is being discussed, because we think this matter is very important and the Prime Minister himself saw fit to mention that it is very important and that we were living historic days in Canada.

For those reasons, Mr. Speaker, I appeal personally to the Minister of Transport, because I know he always complied with his undertakings in the past, and I ask him to see to it that the committee on railways, canals and telegraph lines does not sit during the debate on the flag.

[*Text*]

Hon. J. W. Pickersgill (Minister of Transport): Perhaps in the absence of the chairman of the committee I might say that I did go to the committee meeting this morning. Being rather old fashioned I thought it would be in the railway committee room, and I was late. In any event I am not a member of the committee, but by the time I got there the committee had made a decision to sit at different hours. This is a decision of the committee and is not appealable, as I understand it, to the house. I do not see how we can do anything about it unless perhaps the chairman might consider, in view of the historic importance of the proceedings this afternoon, having the committee meet at five o'clock.

I am just saying he may do that, but that would have to be arranged behind the curtains, sir. It is not the business of the house. So far as the undertaking I gave is concerned, it was with regard to substitutions. I am told the notices were sent out two days before, and I am quite sure that my hon. friend the chief whip would have made the necessary motions if he had had them in his hands.

[*Translation*]

Mr. Réal Caouette (Villeneuve): Mr. Speaker, I would ask the Minister of Transport to be more explicit. Instead of saying that this can be arranged behind the curtains, if the minister took it upon himself to recommend to the committee that they avoid sitting during the flag debate, I feel that the chairman of the committee, who is a distinguished member of the Liberal party, would gladly accept his suggestion.

Banking and Commerce Committee

Mr. Grégoire: Mr. Speaker, on the question of privilege—

[*Text*]

Mr. Speaker: Order. I doubt very much if this is a question of privilege, but in view of the importance attached to it by the hon. member, the short discussion we have had has not done any harm. It is up to the chairman of each committee to run his own committee and not to ask for instructions from the minister concerned. Matters are referred to the committee, and it seems to me that the committee is in charge of its own affairs.

BANKING AND COMMERCE

SECOND AND THIRD REPORTS OF STANDING COMMITTEE

Mr. L. T. Pennell (Brant-Haldimand) presented the second and third reports of the standing committee on banking and commerce, and asked for unanimous consent to move that the third report be concurred in.

[*Translation*]

Mr. Gilles Grégoire (Lapointe): Mr. Speaker, we are unwilling to give the unanimous consent so that the report be concurred in now. We want to have the time to see it so as to be sure that we will not be taken in again by the Minister of Transport as we were the last time.

[*Text*]

Mr. Speaker: Is there unanimous consent?

Some hon. Members: No.

Mr. Grégoire: No; 48 hours' notice.

Mr. Speaker: Is there or is there not unanimous consent?

Some hon. Members: No.

Mr. Grégoire: There is not.

TRANS-CANADA AIR LINES

WINNIPEG MAINTENANCE BASE—APPOINTMENT OF COMMISSION OF INQUIRY

Hon. J. W. Pickersgill (Minister of Transport): I should like to table order in council P.C. 1964/857 of June 11, appointing Mr. D. A. Thompson, Q.C., of the city of Winnipeg a commissioner under part I of the Inquiries Act to inquire into and report upon problems relating to the future of the aircraft overhaul base maintained by Trans-Canada Air Lines at Winnipeg international airport, and other related matters.

I should like also, for the convenience of hon. members, to table a letter I addressed to Mr. Thompson yesterday, the text of which was agreed upon with the government of Manitoba, setting out the scope and nature of the review.

CANADIAN CONSTITUTION

INQUIRY AS TO CONSIDERATION OF PROPOSED AMENDMENT

On the orders of the day:

[*Translation*]

Hon. Léon Balcer (Three Rivers): Mr. Speaker, I have a question for the Prime Minister.

Could he tell the house if he has been officially notified by the Quebec government that the provincial legislature has approved the constitutional amendment concerning the pension plan?

If so, could the Prime Minister tell us whether he intends to adjourn the debate on the first flag resolution in order to discuss the pension legislation, or to wait until the debate on the first flag is over?

[*Text*]

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, as my hon. friend knows, the resolution was passed last evening in the legislature in Quebec. Official notification of the action of the Quebec legislature is now in the post and I have heard about it by telephone. We will be putting a resolution forward for the order paper this afternoon which will permit discussion of the matter in this house on Thursday.

[*Translation*]

Mr. L. J. Pigeon (Joliette-L'Assomption-Montcalm): A supplementary question, Mr. Speaker. I should like to ask the Prime Minister whether he intends to give up definitely the resolution on the union jack so as to save the time of the House of Commons?

[*Text*]

Mr. Speaker: This question is out of order.

EXTERNAL AFFAIRS

CYPRUS—REPORTED CONSCRIPTION OF GREEKS INTO PERMANENT ARMY

On the orders of the day:

Mr. T. C. Douglas (Burnaby-Coquitlam): Mr. Speaker, may I direct a question to the Secretary of State for External Affairs and draw his attention to the report that the government of Cyprus is now conscripting

hundreds of Greek Cypriots in the 19 year old class for the purpose of organizing a permanent army. This has been done over the protests of both the British and Turkish governments, as well as the Turkish Cypriots.

I want to ask the Secretary of State for External Affairs whether any representations are being made by the Canadian government to the government of Cyprus, directly or through the United Nations, pointing out that this will have a serious effect upon the successful operation of the peace keeping force in Cyprus.

Hon. Paul Martin (Secretary of State for External Affairs): This matter has been discussed by the United Nations and also by the Canadian high commissioner in Cyprus. However, it is not yet clear whether the act to which the hon. gentleman draws our attention will have the consequences and the implications he suggests. Some officials in the United Nations have taken the temporary view that this may be a step in the right direction. However, this remains to be seen.

Mr. W. B. Nesbitt (Oxford): In view of the question asked by the leader of the New Democratic party and a number of disturbing reports recently over the C.B.C. and in the press concerning Cyprus, would the Secretary of State for External Affairs at an early date, perhaps this week or the beginning of next week, make an extensive statement on motions bringing members of the house up to date on the situation in Cyprus?

Mr. Martin (Essex East): The hon. member for Annapolis-Kings mentioned this very matter to me today, and he had intended asking me a question along those lines. I told him, as I will tell the hon. gentleman, that the suggestion will be carefully considered.

Mr. Douglas: May I ask the secretary of state if he is now telling the house that increasing the Greek Cypriot army despite the protests of the Turkish Cypriots and the British and Turkish governments may be the right course for the Cypriot government to follow?

Mr. Martin (Essex East): I did not say what my view was. I said the view was put forward by United Nations officials that this might be an effective way of assisting to provide for control over certain elements in one of the communities, a control which is not now in existence. That is what I said. We are now examining the position to see whether this represents the view of other contingents in the United Nations force. It was not the view stated by the government of Canada.

Mr. Douglas: To which elements of the population did the hon. gentleman refer?

Mr. Martin (Essex East): I was referring to elements in the Greek community.

[*Translation*]

Mr. Réal Caouette (Villeneuve): Mr. Speaker, may I put a supplementary question to the Secretary of State for External Affairs?

Since it is rumoured that Canada will renew its participation to the United Nations force in Cyprus, which will entail a supplementary expenditure of about $2 million, would the minister consider suggesting to the United Nations that this huge amount be distributed so as to help the economic conditions of the Cypriots instead of imposing this force upon them, because I believe this would pave the way for an agreement between the two communities in Cyprus?

Has the minister any comments to make on that subject?

Mr. Martin (Essex East): Mr. Speaker, before the United Nations force was set up the Canadian government had made the same suggestion as advanced by the hon. member; unfortunately, it was a long range proposal and it was not considered acceptable in February.

[*Text*]

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

Mr. Macaluso: My question has already been asked by the hon. member for Three Rivers.

POLAND—REPORTS OF RELIGIOUS INTOLERANCE

On the orders of the day:

Mr. Joseph P. O'Keefe (St. John's East): My question is addressed to the Secretary of State for External Affairs. In view of the present intense interest in symbols, in tolerance and in freedom, would the minister check the accuracy of yesterday's report on religious intolerance in Poland where over 2 million children are affected or involved, as contained in yesterday's edition of the *Globe and Mail*, page 3.

Some hon. Members: Order.

Mr. Speaker: Order. I am sure the hon. member would like to put this question on the order paper.

Inquiries of the Ministry

STEPS TO PROMOTE INDEPENDENCE OF BALTIC STATES

On the orders of the day:

Mr. G. H. Aiken (Parry Sound-Muskoka): Mr. Speaker, I have a question for the Secretary of State for External Affairs. My question arises from the current interest being taken by the Soviet union in the Baltic area. Is the government using this opportunity to press for independence of the states of Latvia, Lithuania and Estonia?

Hon. Paul Martin (Secretary of State for External Affairs): Mr. Speaker, while answering that question I wonder whether, with the consent of the house, I could refer to a question asked earlier by the hon. member for St. John's East, which I think is equally in order, concerning certain discrimination between children in Poland. I want to assure him that that question will be looked into. This other important matter is, of course, under continuous review.

LABOUR CONDITIONS

TRANSFER OF JURISDICTION OVER NATIONAL EMPLOYMENT SERVICE

On the orders of the day:

Hon. Michael Starr (Ontario): I wish to address a question to the Minister of Labour and ask him when he expects that the national employment service will come under the direct jurisdiction of the Department of Labour.

Hon. A. J. MacEachen (Minister of Labour): It is proposed that an item will be placed before the house in the supplementary estimates which will, if approved, effect this transfer. It will be effective following that action by the house.

Mr. Starr: Are any difficulties being experienced in the transfer of this service?

Mr. MacEachen: No, Mr. Speaker. There is a committee of senior civil servants under the chairmanship of Dr. George Davidson examining ways in which this separation might be effected, and this study or examination is still continuing. It is as a result of the work of this particular group that action is being taken in this way to sever the national employment service from the unemployment insurance commission.

[*Later:*]

Mr. T. S. Barnett (Comox-Alberni): Mr. Speaker, I should like to address a question to the Minister of Labour. It relates to a question asked of him a little earlier by the hon. member for Ontario regarding the transfer of the national employment service to labour department jurisdiction. If I heard the minister's reply correctly he indicated that a special vote would be introduced in this connection. I wonder whether the minister would agree that this vote could be referred to the industrial relations committee so the whole proposal could be studied in some depth by members of this house.

Mr. MacEachen: Mr. Speaker, the policy decision to make this transfer was announced in the house some months ago, and it follows from the recommendation of the Gill committee, the national employment committee and other persons interested in the effective functioning of the national employment service. Inasmuch as this vote will be dealt with in committee I think we will be able to have a pretty good discussion on its purposes at that time.

Mr. Barnett: I am sorry but I could not hear the latter part of the minister's reply.

Mr. MacEachen: The point I made was that this particular item in the supplementary estimates will be discussed in the committee of supply, and that will permit of a discussion which I think will make it unnecessary to refer the matter to the industrial relations committee.

Mr. Barnett: A supplementary question. Would the minister not agree that some useful purpose might be served by giving members of the house the opportunity of studying in some detail the proposals as they will affect the administration and operation of the employment service throughout the country? In this manner we would have an appropriate opportunity of questioning the administrative officials as to how this will work out in its operation in various parts of the country.

Mr. MacEachen: Mr. Speaker, this is a point that I will be glad to consider. I believe that at present the actual details of such a transfer have not been fully worked out, and indeed cannot be fully worked out until it is possible to give some legislative basis for this transfer. The details are being worked out at present.

CAPE BRETON—CORRESPONDENCE RESPECTING FUTURE OF NO. 18 COLLIERY

On the orders of the day:

Mr. Donald MacInnis (Cape Breton South): I should like to ask the Minister of Labour if he has had recent correspondence with the executive of the united mine workers union concerning the future of No. 18 colliery?

Hon. A. J. MacEachen (Minister of Labour): Yes, Mr. Speaker, I received a communication some days ago from the president of the united mine workers, district 26, with regard to this colliery.

Mr. MacInnis: May I ask a supplementary question. My question was whether the minister had answered this request from the executive.

Mr. MacEachen: No, Mr. Speaker. I have been attempting to get the president of the united mine workers on the telephone at Glace Bay during the last two days. I discovered this morning that he is in Washington, but I will be communicating with him as soon as he returns.

CANADIAN BROADCASTING CORPORATION

INQUIRIES AS TO FILM RESPECTING PRIME MINISTER

On the orders of the day:

Mr. D. M. Fisher (Port Arthur): Mr. Speaker, I want to ask the Prime Minister a question relating to the Pearson film. My question is not based upon the story in today's *Globe and Mail* on the film "Mr. Pearson" but is related to it.

In view of the grave doubts that now exist about the actual facts and the information that have been given to us by the government in so far as the government's role in this matter is concerned, as distinct from the C.B.C., is the Prime Minister prepared to offer the opportunity for a debate upon this matter or to give us a full account of the relationships of his office in this film making?

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, there will be an opportunity, if the hon. gentleman desires to take advantage of it, when interim supply is up for consideration in a few days.

Mr. R. Gordon L. Fairweather (Royal): Mr. Speaker, I have a supplementary question for the Prime Minister. In relation to the celebrated yet restricted film on the Prime Minister, was an oath of secrecy administered to Richard Ballentine and his technical crew during the filming of this production prior to their being admitted to meetings of the cabinet or a committee of the cabinet?

Mr. Pearson: To my knowledge, Mr. Speaker, there was no such admission of unauthorized persons, including those mentioned by my hon. friend, to any meeting of cabinet or committee of the cabinet.

Mr. Fairweather: I have another question on the same subject, Mr. Speaker. Have any other journalists or technicians been given equal privileges to view the Prime Minister in a day, or whatever it was, of his life?

Some hon. Members: Oh, oh.

Mr. Speaker: Order, please. It does seem to me that many of these questions should be put on the order paper.

Mr. Robert C. Coates (Cumberland): Mr. Speaker, I have a question for the Secretary of State, the minister responsible to parliament for the activities of the C.B.C. With respect to the hour long documentary film "Mr. Pearson", can the minister inform the house whether the C.B.C. in its final editing found it necessary to edit out some crude and vulgar references by Mr. Gordon Robertson, Clerk of the Privy Council, with respect to the present Leader of the Opposition?

Mr. Speaker: This question is surely one for the order paper, along with the others.

[*Later:*]

Mr. Fairweather: Mr. Speaker, I want to ask the Secretary of State a question about the film "Mr. Pearson". Now that we have had articles in depth about this film in the Winnipeg *Fress Press* of last Thursday and the *Globe and Mail* of today, would the Secretary of State urge upon the C.B.C. the necessity of answering the questions that have been put on the order paper by various members about the machinations surrounding this restricted film?

Hon. Maurice Lamontagne (Secretary of State): Mr. Speaker, I have received an answer to the question put to me by the hon. member for Port Arthur on this matter, and I am informed by the C.B.C. that there is no change in the decision already reached on this subject.

Mr. Fairweather: A supplementary question, Mr. Speaker. I wonder what the answer of the C.B.C. is to my simple little question. When are we going to have an answer to my question? I should like to know.

Mr. Speaker: Will the hon. member put this question on the order paper.

An hon. Member: It is on the order paper.

Mr. Lamontagne: I understand that an answer will be provided tomorrow.

[*Translation*]

Mr. Réal Caouette (Villeneuve): Mr. Speaker, I should like to direct a question to the Secretary of State.

For two or three weeks questions have been asked here and there about the famous Pearson film now in the hands of the C.B.C. Now, some of us have seen it and others have not, but most of us have not seen it.

What is preventing the Secretary of State from inquiring exactly about the reasons why that film is not shown on T.V. in order to settle the matter? We are told day after day that it is the C.B.C. or the B.B.G. which make the decisions, while the Secretary of State is perfectly aware of what is going on. Why not show it once and for all, so that we will no longer hear about that matter in the house?

Mr. Lamontagne: The decision rests with the C.B.C. alone. The corporation has already replied twice, through me, to the requests of the hon. members.

Mr. Caouette: Mr. Speaker, I should like to put a supplementary question to the Secretary of State.

The minister is well aware of the fact that the C.B.C. comes under his jurisdiction and that if he makes suggestions to the B.B.G. or to the C.B.C., the corporation will pay heed to them. Under the circumstances we do not want to hear the excuse that it is up to the C.B.C. to decide and that the minister has nothing to say in that connection.

Mr. Lamontagne: Mr. Speaker, as long as I am the minister responsible—

Mr. Caouette: Irresponsible—

Mr. Lamontagne: —to parliament for the C.B.C., I will not interfere with the programs presented by the corporation.

Hon. Léon Balcer (Three Rivers): Could the minister tell us, in view of the criticism which seems to be aimed from all sides at this crown corporation, and because of the unceasing questions which always remain unanswered, whether the government intends to convene immediately a committee of the house to study the C.B.C. policy?

[Mr. Fairweather.]

I believe such a step is called for, because of the lack of answers in the house in this regard.

Mr. Lamontagne: I think that there were explanations by the C.B.C. on various occasions. There were two press releases on the matter, and I do not see what a parliamentary investigation could possibly add.

Mr. Balcer: Mr. Speaker, may I ask a supplementary question?

There is no question of a parliamentary investigation. I should like to remind the minister that the C.B.C. is responsible to parliament, and I feel that it is absolutely necessary that parliament make an inquiry so as to know the policy and the attitude of that corporation toward the Canadian public.

[*Text*]

Mr. T. C. Douglas (Burnaby-Coquitlam): May I ask a supplementary question. May I ask the Secretary of State since the C.B.C. decided not to show this film, which is their right, why was it shown to persons outside of the C.B.C.? Why was Mr. Ballentine told that the purpose in showing this film to persons outside the C.B.C. was to decide whether or not the film would be shown?

Mr. Lamontagne: I am told, Mr. Speaker, that according to the terms of the agreement between Mr. Ballentine and the C.B.C., two copies of the film were given to Mr. Ballentine. Mr. Ballentine had agreed to show these films only to special film societies.

Mr. Douglas: The minister has entirely missed my point. I asked him why the film was shown by the C.B.C. to persons outside of the C.B.C. Is the minister saying now that it was shown by Mr. Ballentine? Then could I ask the minister if the disapproval of the film, which according to this report was registered by the Secretary of State for External Affairs, was communicated to the C.B.C.?

Mr. Lamontagne: I am not aware of this, Mr. Speaker.

[*Translation*]

Mr. Pigeon: Mr. Speaker, shall we have the opportunity of seeing the Pearson film?

[*Text*]

Mr. Speaker: Order. We have had quite a long discussion of this matter this afternoon. I do not think it should be continued any further at this stage.

[*Translation*]

Mr. Caouette: Mr. Speaker, we do not want the matter to degenerate into a debate, but we would not want the minister to fail in or shirk his responsibilities. He should give a clear answer. If a group of citizens or even one person had the right to show the film, I do not see any reason why all the hon. members of the house would not be invited to see it, as well as the Canadian public. The minister should assume his responsibilities.

Mr. Lamontagne: Mr. Speaker, I have no lesson to take from the hon. member for Villeneuve—

Mr. Caouette: You surely have.

Mr. Lamontagne: The film was shown by its maker who had been given copies under an agreement he had signed with the C.B.C.

Mr. Gilles Grégoire (Lapointe): Mr. Speaker, I have a supplementary question. Could the Secretary of State tell us how many times in the past the C.B.C. has refused to telecast films which it had paid for? What amount of money was wasted in that way during the last year?

Mr. Lamontagne: I do not have that information here, Mr. Speaker.

[*Text*]

Mr. Fairweather: I have a supplementary question for the Secretary of State. Is it a fact that the working prints of this film are worn out because they have been shown so many times to various people to decide whether or not we can see it?

REPORTED SMALL CANADIAN COVERAGE IN NEWS BROADCASTS

On the orders of the day:

[*Translation*]

Hon. Maurice Lamontagne (Secretary of State): Mr. Speaker, about the question the hon. member for Villeneuve (Mr. Caouette) asked me last June 2, the C.B.C. advises as follows.

The French television network gives, every night of the week, a national news bulletin lasting approximately 13 minutes, followed by a regional news bulletin lasting approximately seven minutes.

According to an investigation made by the research department of the C.B.C. in Montreal on the 1963 news bulletins, two thirds of the news items read on the national broadcast dealt with Canadian matters and one third with international events.

Taking into account the regional news bulletin started in June 1963, the proportion of Canadian news reached 80 per cent during the last part of the year.

I would like to take this opportunity to reply to the question the hon. member for Lapointe (Mr. Grégoire) asked me last June 10.

The C.B.C. advises me that, in 1963, the total amount paid in fees is made up as follows: 95 per cent to artists living in Canada and 5 per cent to artists living abroad.

[*Text*]

CANADIAN FLAG

INQUIRIES RESPECTING CONSIDERATION OF PROPOSED RESOLUTION

On the orders of the day:

Mr. J. H. Horner (Acadia): Mr. Speaker, I would like to direct a question to the Minister of Trade and Commerce. Would he inform the house whether his department is continuing to distribute a card game called "The Canadian maple leaf" in which the three maple leaves are referred to as jokers, and the winner of the game is the player left with the one maple leaf? Can we draw from this that there was collusion between the Liberal party and the New Democratic party before this flag debate began?

Mr. Speaker: Order. This question is obviously out of order.

Mr. Horner (Acadia): On a point of order, Mr. Speaker; this is a very important point.

Mr. Speaker: Order. If the question is out of order there is not much more I can say.

Mr. Horner (Acadia): On a point of order, Mr. Speaker; we are now involved in a flag debate concerning three maple leaves, and one department of the government is publishing the fact to the world that they are referred to as three Canadian jokers.

Mr. Speaker: Order, please. The hon. member will have ample opportunity, and very shortly, to put his views before the house.

Mr. Horner (Acadia): I will debate it at ten o'clock, Mr. Speaker.

[*Later:*]

Mr. G. L. Chatterton (Esquimalt-Saanich): Mr. Speaker, I should like to direct a question to the Prime Minister. Can the Prime Minister advise the house whether the government will consider the resolution which is government order 44(B) a question of confidence in the government?

Some hon. Members: Answer.

Inquiries of the Ministry

Mr. Speaker: Order.

[*Translation*]

Mr. Jean Chrétien (St. Maurice-Laflèche): Mr. Speaker, I should like to direct a question to the leader of the house.

Since the Leader of the Opposition did not have sufficient time last night, would the house allow the hon. member for Three Rivers (Mr. Balcer) to finish the speech of the Leader of the Opposition?

Mr. L. J. Pigeon (Joliette-L'Assomption-Montcalm): Mr. Speaker, since the Prime Minister did not have time to complete his speech, would he allow the hon. member for York-Humber (Mr. Cowan) to do so?

[*Text*]

Mr. Speaker: Order, please.

[*Later:*]

[*Translation*]

Mr. Réal Caouette (Villeneuve): Mr. Speaker, my question is intended for the Prime Minister.

Yesterday, during the debate on the distinctive national flag, Mr. Speaker, you made a ruling which was approved by the press, as well as by all members of the house. You said, at that time, that you had studied for three or four days the matter under dispute, in order to decide whether the two projects should be divided.

This is my question to the Prime Minister. Did his advisers suggest to the Prime Minister, or is it the latter who suggested to the advisers, that you should make such a ruling? In other words, before making his statement yesterday afternoon and before you made your ruling, did the Prime Minister know what the ruling would be? I am putting this question to the Prime Minister.

[*Text*]

Mr. Speaker: Order. I am very surprised at this question, but I hasten to answer it. There was absolutely no communication between any member of this house and myself on this important question. The Clerk of this house, who is my chief adviser, and I did considerable research on the matter, but I want to assure all hon. members that there was no collaboration, no communication and, as far as I know, no leak from my office nor from the office of the Clerk.

[Mr. Chatterton.]

UNEMPLOYMENT INSURANCE

INQUIRY AS TO IMPLEMENTATION OF GILL REPORT

On the orders of the day:

Mr. Heward Grafftey (Brome-Missisquoi): Mr. Speaker, I would like to direct a question to the Minister of Labour. Does the government have any intention of bringing forward amendments to the Unemployment Insurance Act as a result of the Gill committee report?

Hon. A. J. MacEachen (Minister of Labour): Mr. Speaker, the policy of the government with respect to this matter was put forward by the Prime Minister in the debate on the address in reply to the speech from the throne.

Mr. Grafftey: I have a supplementary question, Mr. Speaker. In spite of the minister's reply, could the house be given some idea of whether the government plans to bring these changes forward, as reported, and when?

Mr. MacEachen: I think the situation was set out at that time, Mr. Speaker. The timing will depend on the disposition of other parliamentary business.

TRADE

GATT—REQUEST FOR REPORT ON NEGOTIATIONS

On the orders of the day:

Mr. Reid Scott (Danforth): Mr. Speaker, I have a question for the Minister of Trade and Commerce. In view of current newspaper reports that the United Nations conference on trade at Geneva has concluded with rather indecisive results, I wonder whether the minister would make an early statement on motions bringing the house up to date on the results of this conference.

Hon. Mitchell Sharp (Minister of Trade and Commerce): Mr. Speaker, I have been speaking to my colleague the Secretary of State for External Affairs, and either he or I will make a report as soon as it can be put together.

IMMIGRATION

JOSIF VERGAKIS—STATEMENT ON REASON FOR DETENTION

On the orders of the day:

Hon. René Tremblay (Minister of Citizenship and Immigration): Mr. Speaker, yesterday the Leader of the Opposition inquired about the case of a seaman, Josif Vergakis. I have looked into this case. Vergakis deserted his ship on August 26, 1963. He was

apprehended on April 28, 1964 and detained under the authority of the Immigration Act pending the holding of an immigration inquiry to determine his right to remain in Canada.

Concurrently with this action prosecution proceedings were instituted by the police authorities. He was charged with illegal entry into Canada and appeared in court on May 4, his case being remanded. The court granted his release on bail of $1,000. Notwithstanding the court's acceptance of bail, Vergakis continued to be detained for the immigration inquiry which was opened on May 6. The inquiry was immediately adjourned at the request of Vergakis' counsel, and he was released. Because of different adjournments, occasioned in part by Vergakis' refusal to answer questions, the inquiry was not completed until June 14, at which time he was ordered deported. He has entered an appeal against this order.

In the light of the deportation order and the fact that Vergakis is a deserting seaman, the special inquiry officer decided that he should be detained. The next day, an application for release having been made to the special inquiry officer by Vergakis' counsel, the detention order was withdrawn. He is free pending the outcome of his appeal and trial. The trial is scheduled to take place on June 26.

Mr. Reid Scott (Danforth): A supplementary question to the Prime Minister. In view of the continuing series of reports and statements in connection with the Immigration Act and the alleged denial of the rights of individuals, would the Prime Minister not consider having a committee of parliament examine the Immigration Act with a view to clearing the air in a lot of these matters?

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, before considering that matter, I think it would be well to await the conclusion of the discussion which will undoubtedly be taking place on this matter on interim supply.

HOUSING

REPORTED INCREASE IN COST INDEX

On the orders of the day:

Mr. G. H. Aiken (Parry Sound-Muskoka): Mr. Speaker, I have a question for the Minister of Finance but in his absence perhaps I might ask it of the Prime Minister. My question arises from a dominion bureau of statistics cost of living release of June 12 indicating that the housing index rose one half point in May over April of this year and has risen 2.3 points over one year ago. Would the Prime Minister advise the house whether this increase is considered to be caused by the increase in the sales tax on building materials? If so, what action is the government taking to counteract it?

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, if the hon. member will put this question on the order paper—it does entail a good deal of research—he will get a reply from the Minister of Finance.

VETERANS AFFAIRS

INQUIRY AS TO INTRODUCTION OF AMENDING LEGISLATION

On the orders of the day:

Mr. H. W. Herridge (Kootenay West): Mr. Speaker, in the absence of the Minister of Veterans Affairs I wish to direct a question of some substance to his parliamentary secretary. Does the parliamentary secretary know whether the minister intends to introduce any amendments to the Pension Act, the War Veterans' Allowance Act or any other legislation affecting veterans and their dependants during this session?

Mr. C. W. Carter (Parliamentary Secretary to Minister of Veterans Affairs): Mr. Speaker, I want to thank the hon. member for giving notice of his question. I shall have to take it as notice and bring the matter to the attention of the minister on his return.

PUBLIC SERVICE

INQUIRY AS TO FILLING OF VACANCY ON UNEMPLOYMENT INSURANCE COMMISSION

On the orders of the day:

Hon. Michael Starr (Ontario): Mr. Speaker, I wish to ask a question of the Minister of Labour. Has the government yet decided whether, and if so when, the vacancy created on the unemployment insurance commission will be filled?

Hon. A. J. MacEachen (Minister of Labour): Mr. Speaker, no decision as yet has been taken on this appointment, but I would hope that such decision will be made within the next short while.

[*Later:*]

Mr. Starr: Mr. Speaker, I should like to direct a question to the Minister of Labour. Has the Canadian Labour Congress submitted

the name of Mr. Reamer for appointment to the unemployment insurance commission?

Mr. MacEachen: Mr. Speaker, I have received no official communication from the Canadian Labour Congress yet on this point, although I have had informal communications with certain officers of the congress. Until I receive a formal communication I think I ought to withhold discussion of any particular name.

Mr. Heward Grafftey (Brome-Missisquoi): A supplementary question, Mr. Speaker. Is it the present intention of the government to ultimately follow the recommendation of the Canadian Labour Congress in this regard?

Mr. MacEachen: Mr. Speaker, the policy of the present government on appointments of this kind involving consultation with organized labour was set out by my colleagues the Prime Minister and the Secretary of State for External Affairs away back in 1959 in this house, and that policy will be followed in making such appointments.

PRIVILEGES AND ELECTIONS

INTENTION TO MOVE CONCURRENCE IN COMMITTEE REPORT

On the orders of the day:

Mr. D. M. Fisher (Port Arthur): Mr. Speaker, I want to ask the hon. member for Brant-Haldimand a question in his role as chairman of the standing committee on privileges and elections. Is it a fact that as chairman he intends to move concurrence in the report he tabled yesterday, as he indicated to the committee?

Mr. L. T. Pennell (Brant-Haldimand): Mr. Speaker, may I say to the hon. member for Port Arthur that I propose to keep the undertaking I gave to the committee, and in due course I will move concurrence in the said report.

INDIAN AFFAIRS

STATEMENT ON READINESS OF PROVINCES TO ATTEND CONFERENCE

On the orders of the day:

Hon. René Tremblay (Minister of Citizenship and Immigration): Mr. Speaker, last week after I explained why it was decided to convene the federal-provincial ministerial conference on Indian affairs later in the year rather than in May, as had been tentatively planned, the hon. member for Northwest Territories asked me whether invitations to participate in this conference were extended to the governments of the Yukon and the Northwest Territories. The answer is no. However, the question of their attendance is still under consideration.

Also in relation to the conference, the hon. member for Churchill asked whether some of the provinces did not indicate that they were prepared to go ahead with programs needing ratification by this conference, and stated that some very important projects would be delayed six months. At the time I said that I was not aware that a delay in the conference could have such consequences. I can reaffirm this. We have no knowledge of any provincial program of special interest to Indians which requires ratification by the conference and in consequence will be delayed by the convening of the conference in October.

LABOUR RELATIONS

MONTREAL—STEPS TO SETTLE WILDCAT STRIKE OF LONGSHOREMEN

On the orders of the day:

Mr. L. J. Pigeon (Joliette-L'Assomption-Montcalm): Mr. Speaker, I have a question for the Minister of Labour. What does the minister intend to do to stop the longshoremen's strike in Montreal?

Mr. Speaker: Order. Perhaps the hon. member would put this question on the order paper, as it probably requires a long answer.

[*Translation*]

Mr. Pigeon: Mr. Speaker, I rise on a point of order. The question is one of national urgency which affects the economy of Canada, and I would like to know what the minister intends to do to settle as soon as possible that strike which is prejudicial to the interests of the whole country.

[*Text*]

Mr. Speaker: Order. The hon. member for Villeneuve—

Mr. Pigeon: The minister is ready to answer. This is an important question.

Mr. Speaker: Whether or not the minister is ready, I suggest that the question be put on the order paper. Perhaps at ten o'clock the hon. member—

Mr. Pigeon: I give the minister notice of my first question.

[*Later:*]

Hon. Léon Balcer (Three Rivers): Mr. Speaker, I should like to direct a question to the Minister of Labour. Can he make a report to the house on the situation in the harbour of Montreal and inform the house whether anything is being done to stop the longshoremen's strike which has started there and to prevent it from spreading to the harbours of Three Rivers, Quebec and Saint John?

Hon. A. J. MacEachen (Minister of Labour): Mr. Speaker, happily the strike is confined at present to the port of Montreal and there is no indication that it will spread to Three Rivers or Quebec. The issue in dispute really is an issue between locals of the I.L.A. and the administrators of the pension fund. Judge Lippe, who was appointed commissioner subsequent to the last strike, is now engaged in resolving these differences with respect to the operation of the pension fund, and it is hoped that this will be possible in the near future.

NORTHLAND NAVIGATION LIMITED—SIGNING OF AGREEMENT WITH S.I.U.

On the orders of the day:

Mr. H. W. Herridge (Kootenay West): Mr. Speaker, some seven or eight days ago I brought to the attention of the Minister of Labour a complaint from local 400 of the brotherhood of Canadian transport and general workers in Vancouver concerning the possibility of a certain shipping company signing an agreement with the S.I.U. which the union considered most unfair to them. The minister promised to make inquiries into the matter. Has he any information to give the house with regard to this question?

Hon. A. J. MacEachen (Minister of Labour): Perhaps a misunderstanding arose between myself and the hon. member. I thought his question had not been allowed. I shall be glad to have an answer as soon as possible.

PENSIONS

CANADA PLAN—PRESENTATION OF NEW RESOLUTION AND WHITE PAPER

On the orders of the day:

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I direct a question to the Prime Minister. Now that all the provinces have been heard from with respect to the latest version of the Canada pension plan, can the Prime Minister say when a new resolution will be placed on the order paper regarding the plan itself or, in the meantime, when a white paper regarding the revised version of the plan will be presented to the house?

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, the resolution with regard to the constitutional amendment, as I have already said, will be placed on the order paper tomorrow. We will get the white paper before hon. members just as quickly as we possibly can.

FLOODS

SOUTHERN ALBERTA—STEPS TO ALLEVIATE SITUATION

On the orders of the day:

Mr. Lawrence E. Kindt (Macleod): Mr. Speaker, may I direct a question to the Prime Minister. Will he inform the house and the country what the government intends to do concerning the flood disaster areas in southern Alberta, namely Waterton lakes, Glenwood, Stand Off and Cardston?

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, I will have to look into this matter.

CANADIAN FLAG

OFFICIAL ESTABLISHMENT OF NEW DESIGN

The house resumed, from Monday, June 15, consideration of the motion of Mr. Pearson, and the amendment thereto of Mr. Diefenbaker:

That the government be authorized to take such steps as may be necessary to establish officially as the flag of Canada, a flag embodying the emblem proclaimed by His Majesty King George V on November 21, 1921—three maple leaves conjoined on one stem—in the colours red and white then designated for Canada, the red leaves occupying a field of white between vertical sections of blue on the edges of the flag.

Mr. T. C. Douglas (Burnaby-Coquitlam): Mr. Speaker, this is a momentous and historic debate, and I trust that I and others who take part will approach it with the open-mindedness and the sense of responsibility which the importance of the question deserves.

I believe that as Canada approaches its one hundredth birthday it is important that we give due consideration to the symbols of Canada's nationhood. The New Democratic party at its founding convention, held here in Ottawa in 1961, called upon the Canadian people to recognize that the time had come

to acquire the symbols of nationhood, and we set forth three important symbols; (1) a distinctive national flag (2) a national anthem and (3) a Canadian constitution domiciled in Canada and capable of being amended by Canadians.

I think it is incongruous that after 97 years Canada has not yet adopted these symbols of our national independence. In the long process of evolving from a colony to a nation Canada has achieved the realities of national independence, but we have repeatedly delayed the adoption of the symbols that would give our independence meaning in the eyes of the world.

The reason for the long delay is rooted in our history. In 1867 the British North America Act brought together the English and French people in the partnership of confederation, and since that time people from many lands and speaking many tongues have come to Canada to make this country their home. That successive governments have evaded the issue of selecting national symbols is not due to any desire on the part of the government of Great Britain to retain any of the relics of our colonial status. The delay has been due to our own inability to agree on the form these symbols should take. We, the Canadian people, can acquire these earmarks of national independence any time we want them. The only obstacle that lies in the way is our inability to agree among ourselves as to what these symbols should be and how they should be adopted. In the words of Cassius in Shakespeare's Julius Caesar:

> The fault, dear Brutus, is not in our stars, But in ourselves.

I believe the Prime Minister is to be commended for grasping this thorny nettle that his cautious prececessors have all evaded.

Whether one agrees with the Prime Minister or not, I am sure all hon. members who listened to his address last night must have been impressed with his profound sincerity and his deep sense of conviction. There can be no doubt about the need for Canada to face up to the problem of adopting symbols that will proclaim our national independence to the world. However, I want to devote my remarks to three particular aspects of this problem; first, the government's timing in introducing this matter; second, the methods it has employed; and third, the design which the government has submitted.

First of all let me say a word about the government's timing in this matter. Why is this resolution before us at this particular time? On June 3 the Prime Minister gave the house a long list of legislation which he contended must be dealt with before the summer recess, and in making a statement on behalf of our party at that time I agreed with it. But now the Prime Minister has introduced this controversial and emotionally charged issue that will delay action on the very legislative program which he outlined as requiring immediate attention. I wonder why the government is obstructing the action of parliament in dealing with the government's own program. That is a question that needs an answer.

The Prime Minister's answer is that he made a commitment to the people of Canada in the last general election. But I submit, Mr. Speaker, that he made a lot of other commitments to the Canadian people on subjects that were even more important than the adoption of a national flag. He made commitments on questions having to do with the welfare and economic survival of the Canadian people. For instance, the Liberal party committed itself to a program to promote full employment and economic growth, but we have seen no measures calculated to deal effectively with the problem of unemployment or the lack of economic growth.

Last February we had over 600,000 unemployed in Canada. Even now in the summer months we have something over 300,000 unemployed. John E. Snyder, one of the great industrialists of the United States and head of the United States Corporation, said before a congressional committee last October that automation was eliminating 40,000 jobs a week in the United States, and a symposium held in Montreal recently made an estimate that in Canada there are somewhere between 4,000 and 4,500 jobs a week in which men are being displaced by technological equipment.

This problem of automation is a growing problem. It will be an increasing problem not only for this generation but for generations to come. Jobs for the young people who are annually entering the labour market are something about which the government and this parliament should be concerning themselves. Instead of that we are probably going to take several weeks arguing about a national flag.

The problem of poverty in this country is something which the government tends to sweep under the carpet. The other day Dr. O. J. Firestone, vice dean of social sciences at the University of Ottawa, said that one Canadian out of every five lives in a state of abject poverty. He went on to say that though

we speak a great deal about the unemployed we tend to ignore the fact that there are 3,800,000 Canadians who live constantly in poverty whether they are working or not. This is something which ought to touch the conscience of Canada, yet we are doing nothing about it.

The government speaks of commitments, but the Liberal party committed itself at the last election to provide medical care insurance under which every Canadian citizen would be entitled to have their medical bills paid if they were in excess of $25 per year. We have heard nothing about implementing this commitment. The government promised to the young people of Canada 10,000 scholarships of $1,000 each for four years. No action has been taken. Instead, the government has reduced its commitment to one of interest free student loans. But no legislation has been brought down, despite the fact that we are now in the middle of the month of June and if students are to get any benefit from this legislation it ought to be available well in advance of the opening of the university year.

During the election the government made much of the fact that it intended to set up a Canada development corporation with a development fund. The government said this was the keystone in its plan for economic development; this was the program for economic expansion; this was the program which would provide jobs and create new industries in the underdeveloped areas; this was the program which would help regain control by Canadians of the Canadian economy. Well, a resolution concerning this matter appeared on the order paper last fall. Since that time it has been dropped into the wastepaper basket of oblivion and has been heard of no more.

The government also made a commitment to the Canadian people to do something about regaining control of the Canadian economy. Most members will recall that prior to the election the Minister of Finance was cast in the role of a St. George who was going to do battle against United States control of the Canadian economy. They will remember that he wrote an article which was circulated by the millions, entitled "Buying Back the Canadian Economy". What happened?

Mr. Herridge: He was unhorsed by his own colleagues.

Mr. Douglas: St. George rode forth to do battle. He made a few strokes with his sword which, though they did not wound the dragon, succeeded in annoying him. The dragon roared in the voice of United States under secretary George S. Ball, and the Minister of Finance and the government fled the field, leaving the Americans in complete control. We contend that a Canadian flag is all very well, but that the government ought to concern itself about who owns the real estate over which the flag is going to fly. A symbol of national independence will have little meaning if in the meantime Canada has become an economic satellite of the United States. In that case, we shall be able to choose for a flag an American eagle with a beaver clutched in its claws.

During the last election the government claimed it was the only party in Canada which could make co-operative federalism work. In the space of more than a year which has elapsed since the government took office nothing fundamental has been done to close the fissures and divisions which have appeared in our federal system. A flag in itself cannot provide unity. Unity can only come about when a country has unity of purpose; when a government is prepared to tackle the social and economic problems confronting the people and unite them behind a national policy. Then a flag, which is a symbol of national unity, will have meaning.

The New Democratic party supports the idea of a distinctive national flag, but we are against the government's scale of values and its order of priority. This flag will not put food into one empty belly or provide jobs for the thousands who are out of work. It will not bring medical care to a sick child or ease the load on the poor and the afflicted. It will not supply decent housing for the aged or educational opportunities for the young. It will do nothing to give Canada social and economic independence in an era when United States corporate control is stretching its tentacles across the Canadian economy.

These are the problems which beset this nation, and so far the government's major contribution has been to take up its own time and the time of parliament with an untimely controversy over this flag issue. I think the government has put the cart before the horse. I think we ought to strengthen this country and unite it. We would then be in a position to talk more intelligently about a flag. It is my view that the whole question of a flag could have been left until we had dealt with the legislative program now before us. There

would have been plenty of time to deal with the flag resolution next fall or next winter.

I wish to say a word, too, about the government's method of introducing this measure. I recognize that this is a difficult matter to deal with. I think the government would have been well advised to select two or three designs and submit them to a joint committee of the House of Commons and the Senate in the hope that some measure of agreement could be reached. This might have prevented the selection of a flag from becoming a partisan issue or being involved in political diatribes. Normally, when a government is a majority government, a decision of this nature can be made by the government members, but the present government is a minority government and surely it would have made sense in this situation to have attempted to reach some all-party agreement.

I think the government further confused the matter by putting both the question of the distinctive national flag and the retention of the union jack as a symbol of our relationship to the commonwealth and our loyalty to the crown in the same resolution. I feel, Mr. Speaker, all of us are indebted to you for separating the two questions. I believe this gives every member a chance to stand up and be counted on each issue so there can be no opportunity for equivocation or misrepresentation.

It has been moved by the Conservative party that we should refer this matter to the people of Canada in a plebiscite. I am free to confess that when this was a matter of academic discussion I would have had considerable sympathy for this approach. I think now, Mr. Speaker, the time for a plebiscite is long past. Opinion in Canada has now polarized around two flag designs, the red ensign and a maple leaf design, and I do not think we would do any great service to Canada by submitting this question to a national referendum. We would in effect have a miniature general election and, as the right hon. Leader of the Opposition is himself quoted as saying in a C.B.C. radio and television interview last Wednesday, "To have an election on the basis of a matter like this will divide this country as it has not been divided in the past".

I think all the arguments against having an election on such an emotionally charged issue apply equally to having a referendum at this particular stage. Anyone who witnessed the confrontation on parliament hill when the proponents of the red ensign and the proponents of the maple leaf design faced each other across a cement sidewalk, and heard some of the comments that were made, must realize that this situation, in a more inflammatory form, would be re-enacted in a thousand communities in Canada. I think we would only inflame passions, we would only increase national disunity, and we would do a great disservice to the people of Canada by having a referendum at this time. As a matter of fact, Mr. Speaker, I am doubtful now that a referendum would settle anything. It would show us what people think in particular localities. I doubt that it would give us a consensus of national opinion. In the final analysis parliament itself would still have to deal with the matter. I think, therefore, that parliament has the responsibility to deal with it now.

Some hon. Members: Hear, hear.

Mr. Douglas: I would have preferred that this matter be left, as I have said, until we had dealt with more important issues on the order paper. But now that the government has precipitated it into the House of Commons I say that parliament must accept its responsibility; parliament must make the decision as to what national flag this country will adopt. This is our task. I do not think we can shirk it or pass it on to anyone else.

The third thing I want to say something about, Mr. Speaker, is the actual design of the flag itself. I have a good deal of sympathy for those who advocate selecting the red ensign, with some modification, as the national flag of Canada. As one who was born in Scotland I have a deep attachment for British traditions and British institutions, I would be very happy, personally, with a flag in which there was the union jack in one corner and the fleur-de-lis in another, thus paying tribute to the two great founding races that came together to make up the partnership of confederation. But, Mr. Speaker, we are not selecting a flag for my personal preference or for anyone else's personal preference. We are trying to select a flag that will speak for the people of Canada as a whole. We are not selecting a flag for this particular generation alone. We are seeking to select a flag design that will have meaning for our generation and for all the other generations of Canadians who will come after us.

I think we have to recognize that the maple leaf design is the flag best calculated to do that.

We must remember that there are over 5 million Canadians who are of neither British nor French origin. For them neither the union

jack nor the fleur-de-lis has the deep significance that it has for those of us who are of French or British stock. It seems to me that these people have a right to a national flag that is distinctly Canadian and that for them is meaningful and significant.

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

Mr. Douglas: Later, please. Moreover, Mr. Speaker, there are millions of Canadians who were born in this country and who look upon Canada as their native land. This number will grow with the passing of the years. These young people have no deep feeling of attachment for the land of their forefathers; to them this land, Canada, is their native land. In the years that lie ahead they will have a struggle to retain Canada's national identity, lying as we are along the border of the United States, exposed to their movies, their magazines and their television shows. I suggest that if the young Canadians of this generation and future generations are going to retain their national identity they need a flag that speaks not of Britain nor of France, but a flag that says to them "Canada, my native land". I am supporting the maple leaf design because I believe it is the flag for the Canada of tomorrow.

Some hon. Members: Hear, hear.

Mr. Douglas: The New Democratic party believes, however, that a single maple leaf is to be greatly preferred over the sprig of three maple leaves proposed in the resolution. The Prime Minister has good, traditional, heraldic reasons for adopting the three maple leaf design. But in this flag issue we are breaking tradition in many respects. We are breaking a lot of heraldic rules in putting, for instance, the two blue bars on the flag—of which I approve. I think we ought not to be bound by either tradition or the advice of heraldic experts.

I think there are two very compelling reasons for using the single maple leaf rather than the design proposed by the Prime Minister. The first is the matter of identification. One of the purposes of a flag is that it can be easily identified. A person looking at our flag from some distance ought to be able instantly to recognize that flag and the country which it symbolizes. This can certainly be done much better by a single, large maple leaf standing out on a white background, with a blue bar on either side.

But I think there is a more important reason, Mr. Speaker. One of the problems of Canada has been to bring together the many diverse groups which make up our population, and I think one single maple leaf would speak of national unity. There are not three Canadas; there is only one Canada, made up of two founding races, with two official languages, with two cultures, with many ethnic groups—but one country, with one purpose and one destiny. I think we need a flag which says to the world that, though we have come from many lands speaking many tongues, we are united together in common bonds of allegiance to parliamentary democracy, to social justice and to democratic institutions.

I was pleased that the Prime Minister said in the course of his address yesterday that when it came to the matter of design parliament will decide. I hope the Prime Minister will allow the members to decide in a free vote. I hope that the members will be allowed to vote according to their personal preference. I know from conversations I have had that there are members in all parts of the house, how many I do not know, who would prefer a single maple leaf. I hope that the government will make it clear to their supporters, and that all of us will make it clear in the various parties, that this is a matter of individual preference. It is not a matter of partisan politics. It is not a matter of party discipline. It is a matter of selecting what we think will best denote to the Canadian people what Canada means as it is depicted pictorially on a flag.

Before leaving the question of the single maple leaf, may I say that I would have moved an amendment to give the house an opportunity to express its opinion on a single maple leaf design, but since the official opposition have an amendment before the house it would not, of course, be possible for me to move that amendment at this time. However, later in the debate we shall certainly introduce an amendment to give the house an opportunity to say whether it would like a single maple leaf rather than the three maple leaves proposed in the resolution. I hope hon. members will give this matter some thought, and we hope that enough of them will vote for such an amendment to make it possible for us to have a flag which, in our opinion, would not only be distinctively Canadian but would be representative of the national unity which we are seeking to build in this country.

In conclusion, Mr. Speaker, may I just say a few words about the two blue bars, which have been neglected in most of the discussions.

Mr. Churchill: The same as the Guatamalan flag.

Mr. Douglas: I think they are rooted deep in the traditions of our country. It is said that when the fathers of confederation were meeting and trying to select a motto and a title for Canada there was a good deal of discussion. It will be recalled that Sir John A. Macdonald wanted to use the term "the kingdom of Canada", and it was Sir Leonard Tilley who, on reading the 72nd psalm, found his attention arrested by verse 8, which says:

> He shall have dominion also from sea to sea, and from the river unto the ends of the earth.

He came to the meeting of the fathers of confederation on that day and made the suggestion that it should be called the dominion of Canada, and that we adopt the motto "A mari usque ad mare"—"From sea to sea". The term "dominion" has been dropped, but I would like to think that the idea has not. I would like to think that the two blue bars on our flag will have a deep significance for the people of Canada. Irrespective of what our religious affiliation may be, or even if we have no religious affiliation at all, I think that all of us agree that we would like to see this a land from sea to sea where certain moral and spiritual values will be supreme; that this would be a land where the things of the mind and the spirit will have priority over mere material progress or personal acquisition. I would like to think that those two bars on the flag will tell the world that we have placed a high value on things other than mere material aggrandizement.

There is a verse in the Bible to the effect that "the measure of a man's life consisteth not in the abundance of the things he possesseth." I think that is not only true of individuals; it is true also of nations. I do not think that Canada's greatness in the future will depend solely upon the height of its skyscrapers, or the size of its gold reserve, or the amount of its trade balance. I think that in the final analysis Canada's true greatness will depend upon the extent to which it is concerned about protecting and advancing the rights and the opportunities of even the humblest citizen within its borders.

I hope, Mr. Speaker, that this debate will not be unduly prolonged and that it will not cause animosity. I think we should do all in our power to keep from setting Canadian against Canadian at a time when a spirit of unity is needed as never before in our history. I hope that we can conduct the debate on this controversial issue calmly and without rancour; and when we have made a decision I hope that we in this parliament and the people of Canada from coast to coast will join together under whatever flag we choose to help build a Canada that is strong, free and united.

Mr. Speaker: The hon. member for Cariboo (Mr. Leboe).

Mr. Choquette: On a point of order, Mr. Speaker.

[*Translation*]

I respect the feelings of the hon. member for Villeneuve but, last week you ordered the hon. member for St. Denis not to put up a flag in the house so that the great debate which is going on at present would not be turned into a spectacle.

Consequently, I respectfully request that you call the hon. member for Villeneuve to order and ask him to take down the flag he has on his desk, the same way you did for the hon. member for St. Denis.

[*Text*]

Mr. Speaker: I thank the hon. member for drawing this to my attention; I had not noticed it until now. Will the hon. member for Villeneuve (Mr. Caouette) take down the piece of bunting on his desk.

[*Translation*]

Mr. Réal Caouette (Villeneuve): Mr. Speaker, with all due respect, the resolution under consideration has nothing to do with the flag I have before me. I brought the same flag to the house a fortnight ago, but it is not the one mentioned in this resolution.

I realize the hon. member for Lotbinière (Mr. Choquette) just wanted to show off, as he always does both in his province and in this house in order to draw the attention of all hon. members to this flag. Therefore, I would ask you to bear with me, because I am supposed to speak after the hon. member for Cariboo (Mr. Leboe) and I shall deal with the resolution as it stands without referring to any others, unless I want to move an amendment to that effect, something which I shall decide then.

[*Text*]

Mr. Speaker: Notwithstanding the very interesting remarks, two wrongs do not make a right and if it was wrong for the hon. member for St. Denis to show a flag it is wrong for the hon. member for Villeneuve to show a flag. It is my duty as chairman and Speaker of the house to try to keep

things under control, and such incidents as this do not help the Chair. Therefore I suggest that the flag be taken down.

[*Translation*]

Mr. Caouette: When I make my speech, will you let me use this flag to explain what it means and let me show it to all the house?

[*Text*]

Mr. Speaker: The answer to that question is no. An opportunity has been given to display other flags on the front lawn of the parliament buildings and perhaps this could be displayed there. Once more I appeal to all hon. members. There is enough emotion generated by this type of debate and we do not need any outside assistance. Therefore I would suggest that the flag be taken down out of respect for the sensibilities of other members in the house.

Mr. Caouette: I will comply with your ruling, Mr. Speaker. I am not going to take it down, but I will take it off.

Mr. Choquette: On a question of privilege—

[*Translation*]

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

A while ago the hon. member accused me of showing off, and yet I have always been polite with him. I hope that he went further than he intended to, because I had no such intention when I raised a point of order.

I have always been very polite and I would like him to be also with all hon. members.

Mr. Caouette: I am always more polite than the hon. member.

[*Text*]

Mr. Speaker: Now that both members are recorded on *Hansard* I think we can leave it at that.

Mr. Bert Leboe (Cariboo): Mr. Speaker, first of all it is my privilege to say that the views I will express, and those of other members in the Social Credit party, will be expressed on an individual basis.

Mr. Caouette: Which party?

Mr. Leboe: The Social Credit party.

Mr. Caouette: Are you sure?

Mr. Leboe: The views that I express will be entirely my own and certainly will not involve concurrence by any other member of this group. As found on page 4319 of *Hansard* for yesterday the Prime Minister (Mr. Pearson) said:

> Mr. Speaker, in taking this position I know there are others who are as patriotic and as Canadian as I am or can ever hope to be, who disagree honestly and deeply. I respect that kind of honest disagreement.

I hope that when I deal with some of the remarks of the Prime Minister he will regard me as one of those to whom he referred in using those words. Before I proceed with that part of my remarks I should like to refer to something said by the hon. member for Burnaby-Coquitlam (Mr. Douglas). He suggested that a plebiscite should not be held, and that the parties should have been brought together to discuss this matter. I wish to say that I do not believe this is a party matter in any way, shape or form. I do not think it would have been right for the parties in the house to get together behind closed doors in some smoke filled room and decide what kind of flag Canada should have. He has said that the matter has polarized itself around two designs. This again I do not believe. My correspondence tells me that there is a great deal of latitude in respect of a Canadian flag. I will deal with this matter a little later, but I think I can show there is every reason to believe that this problem can be solved very easily without taking up very much time of the house.

The hon. member also mentioned that the other ethnic groups would want a flag with nothing on it having to do with the two founding races. Here again I disagree wholeheartedly. On the basis of my contacts with the people of the country, my contacts with other members of parliament and the letters I have been receiving, it is my belief that there are just as many people in the ethnic groups who would have us retain something of the red ensign, not necessarily the whole of it, as there are people who would want a completely new Canadian flag. I fully concur in what the hon. member for Burnaby-Coquitlam said in respect of the order of business. As a matter of fact, after we had discussed interim supply last Friday for five minutes I rose in my place and said that I wanted to discuss this very matter on interim supply, and if I am in the house when interim supply is called again I hope to do that very thing; so I do not need to go into the matter here.

I should like to deal very briefly with the speech made by the Prime Minister in introducing the resolution. As found on page 4308 of *Hansard*, the Prime Minister quoted this statement of his party's policy:

> A Liberal government will establish a distinctive Canadian flag within two years of taking office.

I would call your attention to these words, Mr. Speaker, that a Liberal government will establish a distinctive Canadian flag within two years. It is my opinion that this is exactly what they are doing, and part of the machinery they are using to do this is contained in the Prime Minister's speech when he said that if parliament decides that it cannot support a government on a matter of major policy our system does provide for a referendum to the people in an election. I want to make the point very clear that I believe this is a part of the machinery that the government is using to carry out its commitment, which was that a Liberal government would establish a distinctive Canadian flag within two years.

In election campaigns many promises are made and many ideas are put forward as to what a government will do; but yesterday, Mr. Speaker, we were confronted with deciding on two issues in one resolution and you, Mr. Speaker, and rightly so I believe, divided the two issues so that they could be voted on separately. Compare this with the long list of election promises on election day. Are we allowed on election day to sort out the various promises of the various parties seeking election and say: I am going to put my X behind this, and I am going to eliminate this? No, we have no choice.

As a matter of fact, in the Prime Minister's speech yesterday he said that we are responsible for broad policies. The flag issue is not a broad policy. It is the narrowest of narrow policies and it is something that certainly must fall within the purview of a reference to the people in a plebiscite. The Prime Minister also had a great deal to say yesterday in his speech about the unity that this action would bring about. I agree with the editorial that appeared in the *Globe and Mail* this morning which said in effect that this was a very bad joke.

I do not believe that this action is going to bring unity to Canada at all. I certainly suggest to those people who believe it is going to bring unity to Canada that they travel throughout the length and breadth of this country to find out what the people are saying and thinking. By no stretch of the imagination, Mr. Speaker, is this action going to bring about unity in Canada.

There were a great many references in the speeches yesterday to symbols. We had a sort of by-play by the Prime Minister (Mr. Pearson) on this question of symbols because at one stage he told us we were going to part company with the past, and at another stage the symbols were rooted in the past. I refer to page 4320 of *Hansard* where the Prime Minister is reported as saying:

> In this evolution I believe that the time has now come for another change by the adoption of a distinctive Canadian flag which cannot be mistaken for or confused with the emblem of any other country but Canada.

In contrast to that statement, the Prime Minister said, as reported at page 4321:

> The maple leaf itself has been accepted as a Canadian symbol since long before confederation. It is deep in our history and in our traditions.

Then, on page 4323, he is reported as saying:

> This resolution does indeed mark a break with the past, as every accepted stage in the evolution of men and nations must mark a break with the past.

This morning, Mr. Speaker, a cartoon came to my desk. It depicts a lady sitting at a table with a politician. She says, "Sir, this is the first opportunity I have ever had of sitting with a politician; is it true that a politician can talk out of both sides of his mouth at once?" We cannot have it both ways, Mr. Speaker. We cannot cut the ties with the past, as the Prime Minister said, and link ourselves with the past in our minds and in our hearts. This is impossible. I say to you that the time has come when we must be sensible about this proposition and refer it to the people of Canada.

There was a reference to the maple leaves being one forty secondth part of the flag. I for one, cannot see what the size of the maple leaves on the flag has to do with what it represents. If we followed this principle, then we should have a flag about 50 by 100 flying over the parliament buildings, if the size of the flag means much. In this connection, speaking of emblems, is it not true that in Great Britain they have the lion for an emblem and in the United States they have the eagle. The hon. member for Burnaby-Coquitlam (Mr. Douglas) referred to the eagle clutching a beaver. Is it necessary that we have the maple leaf emblem brought into the flag at all when, according to the Prime Minister, we are going to depart from the past? Why have this long discourse about the maple leaf being rooted in the past?

I say to you that the maple leaf about which we are talking is found only in this part of eastern Canada. It is not a Canadian emblem, by any means. It has been accepted as an emblem, certainly, just as we have other

emblems. This is no reason for including it in a Canadian flag. I like the maple leaf.

An hon. Member: Will the hon. member permit a question?

Mr. Leboe: Sit down; you will have all kinds of time to speak on this resolution. If we are going to have an emblem that has roots deep in the past, then certainly there is nothing more deeply rooted in Canada's past than the red ensign.

I should like to deal now with the statements of the Canadian Chamber of Commerce and the Canadian club. I should like to quote from page 4320 of *Hansard* where the Prime Minister quoted from the resolution of the Canadian Chamber of Commerce:

> That the parliament of Canada formally adopt and authorize a distinctive national flag. A distinctive national flag would be a strong, unifying influence, consistent with the status of full nationhood.

I should like to refer to the other quotation which was from a resolution of the Association of Canadian Clubs:

> Canadian clubs in biennial conference assembled support a Canadian flag that is simple, dignified and distinctive; and offer their services, if and when parliament has approved a Canadian flag, in promoting its acceptance throughout Canada.

In that connection, I should like to read from P.C. 5888 of 1945. I have a certified copy signed by R. B. Bryce, Clerk of the Privy Council. Before I read this, I should like to refer to a statement made by the Prime Minister in which he quoted a portion of this order in council to the effect that the red ensign may be flown from buildings owned or occupied by the federal government, within and without Canada. However, he failed to read the important part of the order in council which states:

> His Excellency in council, on the same recommendation, is further pleased to declare and doth hereby declare that it shall be appropriate to fly—

Not may fly—

> —it shall be appropriate to fly the Canadian red ensign within and without Canada wherever place or occasion may make it desirable to fly a distinctive Canadian flag.

If you compare the wording of this order in council P.C. 5888 and the resolution of the Canadian clubs and the chamber of commerce you will find this order in council complies with a request for a distinctive Canadian flag, which is here referred to as the red ensign.

I believe most members of the house, as a matter of fact I think all members of the house know exactly where I stand on the issue because I circulated a 20-point statement outlining my personal views. In this statement I suggested several things, and I am going to review them at this moment. First of all, I said:

> The people of Canada have never been asked nor have the people said they want a new flag other than the "red ensign".

I fail to find anyone who can prove to me that the people of Canada have said so. If the people of Canada have said so, I want somebody to stand up in their place and tell me when they said so.

Mr. Grégoire: My constituency did say so.

Mr. Leboe: Your constituency is a part of Canada, the same as mine. Let us have a vote on the matter and then we will know.

I continue to quote from the statement outlining my personal views:

> The chief electoral officer should be notified that the opinion of the people is necessary to settle the matter and, therefore, should proceed to have a vote taken by way of a transferable ballot on which a number of choice designs, including the "red ensign", are manifest.

This is one point I should like to make in connection with the speech of the Prime Minister and also the reference by the hon. member for Burnaby-Coquitlam. I should like them to listen carefully to this proposal:

> All votes should be sent to a central point for counting so that the place of origin of any vote cannot be determined.

There will be people who will say this cannot be done. This is what is wrong with many of our governments today; they say this or that cannot be done. I am telling you it can be done and it should be done. The number of votes in each poll would be recorded so we would know how many votes were cast, but we would never know who cast a vote for what. The chief electoral officer's report should be submitted to the permanent body of parliament, the Senate of Canada, for appropriate action.

I believe this is essential if we are going to have a permanent flag because surely, if the government of the day can bring in a flag by the method we are using today, then another government within two or three years can do exactly the same thing and we will have a flag for every political party that becomes the government of Canada. I believe this should be prevented at all costs, but the action we are taking and what we are proceeding to do will certainly bring about such a situation.

It is all right for hon. members to say, "Oh, they will never do it." This is the type of thing that traps old people at 45, because

they think they have too much common sense; but then they get carried away. If we find ourselves in a position where another government can bring in another flag, then who will be the laughingstock of the nations of the world?

The Prime Minister said, as reported at page 4319 of yesterday's *Hansard*:

> It will not be the flag of a person or a party; it will be the flag of the people of Canada—

I ask him for how long—till we get another prime minister? In my opinion this is certainly not the way to do it.

The Prime Minister referred to the hon. member for Leeds (Mr. Matheson) and quoted him in connection with the flag's sending a message. I say to you, Mr. Speaker, the flag does not send any other message than the image we create here in Canada. I do not care what flag hangs on the pole, the message received by the people who see that flag will be according to the image we ourselves create. It is not the flag that makes Canada; it is Canada makes the flag. Let no one say a flag is going to make a nation; it is a nation that makes a flag.

I dealt with the order in council and I mentioned that in it at two different places it represents the Canadian red ensign as a distinctive Canadian flag. I feel that the red ensign should have a running chance with any other flag that might be presented. If the red ensign has been the flag of this country for 40 years, and we have waited 97 years for parliament to do something about a flag, I cannot see why we should get into this—I was going to say godawful hurry—debate on a flag issue at this point, when we have such a large body of opinion in the country telling the Prime Minister and the members of this house that it does not necessarily want the flag that has been proposed in this resolution.

I say to you, Mr. Speaker, that the time has come for this house and its members to waken up to their responsibilities and listen to what is being said in this country. We have no divine right as parliamentarians to pass over a large body of expressed opinion. I have said in this statement that the government may or may not have had more seats, had it not had something about the flag in its literature. I was going to say propaganda, but no one knows what effect if any this point had in the election.

I agree wholeheartedly with the hon. member for Burnaby-Coquitlam (Mr. Douglas) that we should not be embroiled in a flag fight at this time, and take up the time of the house with this issue when we have so much major legislation before us. I say to you, sir, that western and eastern Canada will never submit to such arbitrary action on the false premise that the elected representatives are doing what they were sent here to do.

I have said that the establishment of a national flag is not an administrative problem. It is aside and separate from any other issue, a distinct and peculiar problem and requires, therefore, particular action having regard for the feelings, emotions and desires of the majority of Canadians. We cannot brush aside all these things and say to the people at large that we, as a group of little dictators here, can do something without any reference to the people of the country who have voiced a very strong opinion on it.

On my desk I have two communications in favour of a new flag, but the rest of the communications are in favour of the red ensign. Anybody who wishes may look through my files to verify this. I say that the choice of a national flag is one place where the democratic voice of the people must be heard before action is taken.

I said that all the members in this house could not deny the democratic right of the people to voice an opinion on something that is supposed to last, shall we say, forever,—a flag that is going to represent Canada's future and its past. Are we as a little group, who have never been returned to this parliament on the basis of this issue, to decide that question? I say it is wrong in principle and it will be just as lasting as it is wrong because another prime minister, if he has a majority in the house, can bring in another flag.

Mr. Churchill: That is right.

Mr. Leboe: These people laugh.

Mr. Caouette: You people.

Mr. Leboe: If you are going to be prime minister some day, maybe you might.

Mr. Pigeon: Never. We will have a revolution.

Mr. Leboe: We got some reaction out of that.

Mr. Caouette: The reaction of the Conservatives.

Mr. Leboe: The flag which the hon. member had on his desk a little while ago would likely be the one he would promote.

Mr. Caouette: Well, it is from B.C. anyway.

Mr. Leboe: Regardless of where it is from. No clear mandate has been given to the government to bring in a new flag, and therefore to do so is not being brave or courageous but is overemphasizing the importance of the proposed action. It is not related to the majority of opinions. To stand on your head on the edge of a cliff is neither brave, courageous, nor common sense, and this is exactly what the Prime Minister is doing in his political career—standing on his head on the edge of a cliff.

No vote on the proposed resolution regarding the flag can be a free vote for government supporters regardless of where they sit in the house. I say regardless of where they sit in the house because we in this party have constantly supported the government, so long as it was going ahead with its legislative program, because the people of Canada wanted that, and because we wanted it. But right now we cannot be in the position of having a free vote in the house when we have the Prime Minister threatening the very people who sit beside him with an election which the people of Canada do not want, if this resolution is not carried. So far as I am concerned, and I said at the beginning that I am speaking personally, this is a type of blackmail when the Prime Minister says such a thing to the people who are sitting with him.

Mr. Rock: He did not say such a thing.

Mr. Leboe: He said "or else" we would have an election. I have won four elections out of five and I am not particularly resisting one. If there is a change around here I think I will be sitting somewhere around these parts. I may not be around over there, but I will be around these parts.

In conclusion, Mr. Speaker—

Mr. Pigeon: Hear, hear.

Mr. Leboe: I see one of the Quebec boys is applauding when I say "in conclusion", but he is the only one applauding. As I said on June 5:

> I predict that if the resolution on the flag comes to a vote that the government party and the official opposition will divide almost to the man on party lines, giving ample proof of emphasis on party political considerations and a representative vote on the issue reflecting the wishes of the electors will be pushed into the background in the hope that ignoring the facts will make them disappear.

There have been a number of polls as to the way we are going to vote in this house. Many guesses have been made; and understandably. The hon. member for Burnaby-Coquitlam (Mr. Douglas) said, "Our party is for a flag with one maple leaf". Is this a free vote? Is this a free situation? No; these are party considerations. We have got a situation where, when the vote is counted, there is going to be almost to a man a straight division on party lines. Why not? It has been taken as a party consideration. Why? Because the Prime Minister has said there is going to be an election if this thing does not carry. It was thrown right into the political arena, and therefore I say to you, Mr. Speaker, that we should at this time pass the decision over to the people of Canada. Let them have four or five different designs, including the red ensign, to choose from. Let there be a transferable ballot. Every member of this house knows what a transferable ballot is. In case there is anybody who does not, it is a ballot whereby you put your first, second, third, fourth and fifth choice on the ballot and if your first choice gets the lowest number of votes your second choice becomes the first choice, and so on. In the final analysis, one flag would have a majority of over 50 per cent of the votes in this country and we would have a flag which could be introduced into the parliament of Canada and carried through this House of Commons and we would have a permanent flag for Canada. This is what the Prime Minister said he wants and, if he is going to get it, I say to him in all sincerity, this is how to get it.

[*Translation*]

Mr. Réal Caouette (Villeneuve): Mr. Speaker, listening to the hon. member who just resumed his seat, I would be inclined to suggest to him to sit next to the leader of the official opposition (Mr. Diefenbaker), since he spoke exactly in the same way and he used the same terms, with the same objective in mind.

He stated among other things that he had on his desk an enormous number of letters suggesting him to introduce to the house the red ensign as our national distinctive flag. He also suggested to us in English:

[*Text*]

"Stand on your own head."

[*Translation*]

Since we are not used to standing on our heads but rather on our own feet, he should have said: "Stand on your own feet."

[*Text*]

"Stand on your own feet." But be Canadians.

[*Translation*]

Mr. Speaker, before coming to the heart of the matter, I should like to remind the house of the amendment proposed last night by the Leader of the Opposition. He narrowly missed proposing it but he nevertheless succeeded in bringing it forward.

[*Text*]

As the proposal to change Canada's national flag will affect the unity and destiny of Canada now and for years to come, the government is authorized to take such steps as may be necessary to conduct a plebiscite prior to any further action being taken by the House of Commons, in order that all Canadians may be given their rightful opportunity to declare their choice concerning a national flag.

[*Translation*]

Mr. Speaker, only a few words on that amendment to the main motion.

The Leader of the Opposition was for during five years—

An hon. Member: No, for six years.

Mr. Caouette: —for six years, prime minister of Canada. Seven or eight years ago the Leader of the Opposition advocated and promised a distinctive national flag. What prevented him, during the years 1958, 1959, 1960, 1961, from presenting his referendum or plebiscite to the Canadian people in order to know what flag they wanted as their national and distinctive emblem?

The Leader of the Opposition is now attempting to play petty politics, to set forth that his group is more important than opposing groups. Moreover, I maintain that the Leader of the Opposition is using the resolution now before us in an attempt to create a climate of misunderstanding all across Canada, in an attempt to set the English speaking people against the French. That is what the Leader of the Opposition is trying to do.

An hon. Member: He does it in his own party.

Mr. Caouette: As a matter of fact, he does it in his own party.

I shall name no one and I shall give no names of hon. members, but yesterday I met members of the Conservative party who seemed completely dissatisfied with the speech the Leader of the Opposition was making. It is strange to note that, during an election, the same Leader of the Opposition does not make the same speeches. Only at this time, because the government had enough daring and courage to present a distinctive national flag for Canada, which we have been demanding for 25 years in this country, the Leader of the Opposition is trying to make us believe that the flag presented by proposal (a) in the resolution is bound to satisfy only the French Canadians of the province of Quebec.

Never in the past did the province of Quebec have to choose between three maple leaves or one, but it has always suggested and still suggests that the adoption of a distinctive national flag must not be turned into a debate on race, religion or colour, but be exclusively and entirely a Canadian matter, exactly as proposed in the resolution.

I wish here to congratulate the Prime Minister of Canada (Mr. Pearson) for having had the courage to make the speech we all know before the members of the Canadian Legion —I should say before a few members of the Canadian Legion—because even if the Prime Minister met 1,500 or 2,000 of them in Winnipeg, there are thousands of others throughout Canada who did not like at all the way he was treated in Winnipeg.

When he spoke on that occasion to the members of the Canadian Legion gathered for their congress in Winnipeg, the Prime Minister stated that the time had come for Canada to have a real flag different from those of other countries and which will be officially recognized throughout the world as the emblem of Canada.

From the time of their first election campaign, our group of Creditistes as well as the other Social Credit group have favoured and advocated the adoption of a distinctive national flag and a distinctive national anthem. Here is what one could read in the campaign program distributed throughout the country in 1962:

A Social Credit government would proceed immediately to the adoption of a distinctive flag and a national anthem.

Not a flag and a national anthem related to others, but quite distinctive.

In the province of Quebec, the publicity handed out during the election campaigns by the Ralliement Creditistes also showed that we wanted to provide Canada with a distinctive flag.

So, on November 21, 1962, the hon. member for Medicine Hat (Mr. Olson) moved:

That this house is of the opinion that the government should agree within one year—

That was in 1962 and we are now in 1964.

—to a design for a suitable distinctive national flag and introduce legislation in this house for the adoption of this emblem.

It was a Conservative member, the parliamentary secretary of the then minister of veterans affairs, the hon. member for Saskatoon (Mr. Jones), who had the sad honour to kill the motion.

At the opening of the session in May 1963, I deplored the fact that on the occasion of the state ceremonies which accompany the arrival of the Governor General, only the royal anthem God Save the Queen had been played, and not the national anthem O Canada. I also deplored the fact that no Canadian distinctive flag had been set up.

I said then:

> Why did we not have a distinctive national flag at that time? I remember that in 1956-57, when the Conservatives had taken over, we expected to have a distinctive national flag. I hope that during all those years in the opposition the Liberals had the opportunity of studying the feasibility of giving Canada a distinctive national flag and a national anthem.

Indeed, Mr. Speaker, time has come for Canada to have a really distinctive emblem.

Now, the members of the house and the people of Canada were bewildered to see, on May 27, the Prime Minister suggest not one design of a national flag, but two designs of emblems for Canada.

We would be the only country in the world to have had the chance to have two flags and two national emblems.

The press and all other information and publicity media, put out by that action on the part of the Prime Minister, had a lot to say about it.

First, I should like to quote *Le Devoir* of May 28. That newspaper carried the following front page headline on four columns and three branches.

> Pearson proposes two flags:
> One national, with three maple leaves;
> One royal, the union jack.

And the news item was as follows:

> Three red maple leaves on a white field with blue edges, such is the design proposed yesterday in the House of Commons and which may never become Canada's flag. Because, in their attempt to run with the hare and hunt with the hounds, it may be that the government lost the majority which would have enabled them to provide the country with a distinctive flag, 33 years after independence and 96 years after the constitution of the provinces into a federation.
> Their mistake—

—continued *Le Devoir*—

> —is that they joined the resolution introducing the flag to a statement of policy reaffirming our allegiance to the British crown and authorizing the flying of the union jack besides the maple leaf.

Here, I cannot refrain from referring to other countries that belong to the commonwealth of British nations, or the British commonwealth of nations. I have in mind Jamaica where, after acceding to independence, they did not vote for two flags, but for only one. It is a small country of 1,200,000 people which has its own distinctive national flag and anthem, with no outside connection whatsoever.

If, with our own emblem, our own flag, we cannot declare ourselves linked or united to the communities or countries that are part of the commonwealth of nations, then I say, sir, that we do not even deserve our Canadian independence or our sovereignty, as stated yesterday by the right hon. Prime Minister.

On May 28, a three branch title, spread over five columns on the front page of a newspaper said this:

> The Pearson plan (two flags and two anthems) stirred up opposition.

The news item itself did not fail to emphasize the confusion bred by the government project. Let me quote part of the text:

> The government proposal whereby Canada, which has been without a flag and without a national anthem since its beginning, would suddenly be provided with two flags and two anthems, has created further confusion and led to various reactions in political circles, not only because of its contents, but also of its form. By all appearance...

added the article,

> ...not only the French Canadian, but also the Anglo-Saxon members of parliament would vote against such a proposal, but for different reasons.

The reasons for that criticism were made known to us yesterday afternoon, when we had to discuss whether we should accept the government proposal or have two separate motions, due to the fact that the government, in order to please everybody, and not to be the victim of a colonialism which still exists in some parts of Canada, wanted officially to confirm the remnants of an obsolete nation, imposing them on the majority of Canadians who want Canada to be a sovereign, independent and free country, without any trace of colonialism.

At this stage I want to bring to the attention of the government and to the Prime Minister the fact that on May 27, when he introduced his resolution including the two flags, the first member to ask for a division of that resolution so that we might vote twice, once on a distinctive flag and then on the union jack, was the hon. member for Lapointe (Mr. Grégoire).

Mr. Speaker, we always asked that a distinctive national flag be adopted not for the mere pleasure of seeing some bunting on a pole, but to have a distinctive national flag which would mean something to Canada. As the hon. member for Burnaby-Coquitlam (Mr. Douglas) said the other day and repeated this afternoon, a flag symbolizing the security of the Canadian people as well as the freedom of all individuals who have built up and live in this Canada of ours.

That is why we want to adopt a distinctive national flag.

Mr. Speaker, may I point out that it is five o'clock?

[*Text*]

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

PRIVATE BILLS

SECOND READING—SENATE BILL

Bill No. S-30 respecting The Dominion of Canada General Insurance Company—Mr. Lachance.

THE CASUALTY COMPANY OF CANADA

Mr. G. C. Lachance (Lafontaine) moved the second reading of Bill No. S-31, respecting The Casualty Company of Canada.

Some hon. Members: Explain.

[*Translation*]

Mr. Lachance: Mr. Speaker, Bill No. S-31, is to grant The Casualty Company of Canada the right to use also a French name which is mentioned therein and reads as follows:

La Casualty, Compagnie d'assurance du Canada.

Hon. Théogène Ricard (St. Hyacinthe-Bagot): Mr. Speaker, could the hon. member tell us how many people make up that company's board of directors, that is the number of Canadians compared to the number of foreigners, for instance, and the number of directors living in the province of Quebec compared to the total number of directors?

[*Text*]

The Acting Speaker (Mr. Batten): I must point out to the house that the hon. member can only answer that question on the understanding by the house that he is not closing the debate.

Mr. Olson: Mr. Speaker, I take exception to that procedure for the simple reason that if this bill is referred to a committee there will be ample opportunity for any hon. member to ask questions at that time. Furthermore, when the bill comes back from the committee for concurrence in its final stages, particularly in the committee stage, there will be abundant opportunity to ask questions, where interrogation can take place back and forth.

The Acting Speaker (Mr. Batten): I have to agree with the hon. member for Medicine Hat (Mr. Olson) that perhaps the proper procedure is for hon. members to ask their questions and then allow the hon. member moving second reading to answer the questions when he winds up the debate on second reading. That might be the better procedure. Is it the pleasure of the house to adopt the motion?

Some hon. Members: Agreed.

Mr. MacInnis: Mr. Speaker, what type of procedure are we following here—with a bill put before the house in this way, no explanation being given by the hon. member sponsoring the bill or anything like that? A question has been asked the hon. member in respect of the bill.

The Acting Speaker (Mr. Batten): I recognize that a question has been asked of the sponsor of the bill, but I do not think he would be permitted to answer this question on second reading unless it were understood that he was not closing the debate. An hon. member who sponsors a bill and speaks for a second time on second reading under our rules closes the debate. When the hon. member for St. Hyacinthe-Bagot (Mr. Ricard) asked a question I reminded the house that the hon. member for Lafontaine (Mr. Lachance) could only answer the question on the understanding that he was not closing the debate. That permission was not given by the house.

Motion agreed to, bill read the second time and referred to the standing committee on banking and commerce.

WAR VETERANS ALLOWANCE ACT

AMENDMENT RESPECTING SERVICE IN THE UNITED KINGDOM

Mr. Jack McIntosh (Swift Current-Maple Creek) moved the second reading of Bill No. C-37, to amend the War Veterans Allowance Act, 1952.

He said: Mr. Speaker, the purpose of this bill, Bill No. C-37, is to grant eligibility for

an allowance under the War Veterans Allowance Act to those veterans of world war I who would qualify for an allowance except that they served in the United Kingdom less than 365 days prior to November 12, 1918. The allowance, however, would be less than a standard allowance as it would be calculated on the fraction of the number of days served in fact.

One of the requirements at the present time is that a veteran must have served in the United Kingdom for 365 days, and as many people know we have a number of veterans who just fall short of that required number of days service. In other words, if a veteran did serve in the United Kingdom 364 days out of the 365 he was not entitled to benefits under the War Veterans Allowance Act.

This bill is designed to eliminate what I consider a discrimination in our veterans legislation against certain member of the services who served in the army—and this applies only to the army—during world war I. Under the present terms of the War Veterans Allowance Act personnel of the army in world war I, as I said before, must have served 365 days outside of the territorial waters of North America, or in a so-called theatre of war such as France, Belgium, or, during world war I, in the Dardanelles, before they became eligible under the act. Travelling on the Atlantic ocean, for example, was not considered service in a theatre of war for a soldier during world war I. Naval personnel or seamen assigned to the same vessel, on the other hand, were considered for purposes of the act to be on active service and qualified for the benefits under the act by making only one voyage in dangerous waters. Herein I contend lies the discrimination between the various services. I say that the personnel of the army have been discriminated against in this case.

Bill No. C-37 is only a means by which I propose to bring once again this evident discrimination between our veterans before the members of this house. The bill itself proposes a sliding scale of eligibility of the veterans concerned. I would much prefer, as would other hon. members of this house, to see the deletion of that clause which refers to the 365 days service in our veterans allowance legislation.

I wish to cite as examples three cases, just to illustrate the point I am trying to make. In case No. 1 we will refer to a veteran by the name of Bill. He is a Canadian and was born in 1898. He volunteered in 1916 but was turned down on account of faulty vision, or on account of his eyes. However, he was accepted in 1917 and sailed from Halifax in November, arriving in England on December 6, 1917. He served seven days a week in forestry battalions in the old country. He returned to Canada in 1919. His length of service was actually two years. His present health is very poor and he is unable to work. His eligibility under the War Veterans Allowance Act is nil.

In the second case I wish to cite we will call the veteran Jack and he was born in Scotland in 1900. He was called up by the British army in the last six months of the war and was sent to France where he was given the job of looking after a gasoline engine 40 miles behind the line. He was discharged from the British army in 1919. He migrated to Canada in the late 1920's and after 20 years in Canada he qualified and now receives the full war veterans allowance under our Canadian legislation.

The third case is Leo. Leo's case is much the same as Jack's except that Leo was born in Italy, but he migrated to Canada about the same time that Jack did. He also, having been an allied soldier in world war I through service in the Italian army, qualifies according to the act, and I say rightly so.

These three cases I have cited are not hypothetical at all, but are actual cases. Jack and Leo need not enter into the argument I intend to put forward. The fact is that Bill deserves full recognition as a Canadian volunteer. It was not his fault that he did not arrive in England prior to November 11, 1917. The fact is that he tried; he volunteered.

To a number of hon. members it may be a revelation or appear inconceivable that we still have today men, and some women too, in this country who served two or three years in the Canadian forces, and yet through certain quirks of the legislation enacted after world war I they are still without entitlement to war veterans allowances.

If time permitted it would be interesting to acquaint hon. members with what research reveals as the reason why such legislation was enacted by our predecessors which left many of our veterans without benefits under this act. In the early stages of world war I recruiting was done on a voluntary basis and remained on this basis during the years 1914, 1915, 1916 and part of 1917, I believe. A number of veterans of world war I travelled many miles at that time at their own expense to enlist in units that were recruiting The situation was a little different at the time of world war II, but in those days they

did not appear before a medical board as recruits did at the time we enlisted, but only before the unit's medical officer. The result of his examination sometimes depended on how badly the unit required men.

This statement is not intended as a reflection on the medical officers of 50 years ago, because there were a number of jobs in all units in those days that did not require what we consider now to be an A category man. It must be remembered that to a greater extent in those days fatigues pertaining to administration of a unit were done manually, and most hon. members are aware that transportation was horsedrawn. In fact, it took an army of men to do the daily chores in any unit. It was generally agreed at that time that it took six men behind the lines to keep one man fighting at the front, and all six of these men were considered to be indispensable at that time.

It was not until the unit was warned for overseas that a medical board appeared and the members of the unit were given a thorough medical examination. Even then, doubtful eyes but a good pair of feet would sometimes get the volunteer accepted. The men that were turned down by the medical board were not necessarily discharged from the army. At this time, as I have said, there were many jobs for low category men, and in addition to these administrative jobs there were other units being formed at that time which needed recruits. These consisted of pioneer battalions, labour battalions, forestry battalions, railway troops and others, most of whose strength consisted of low category personnel. Most of these units were eventually sent overseas, and once there it was the luck of the draw whether you were sent to a forestry unit in southern France or whether you were amongst those who ended up in Scotland or in some English forest with a lumbering unit. I am making these remarks because you will see later that these men were entirely bypassed when it came time for the enactment of veterans allowances. Let me remind the house that I am still referring to the years 1914, 1915 and 1916. Conscription had not yet entered into the picture.

By this time, however, Canada was 100 per cent involved in a war and found herself trying to supply an army 3,000 miles from her shores. By 1916 casualties with wound stripes on their arms were appearing on the streets of our cities. The flow of volunteers was drying up. Our daily newspapers carried headlines regarding the fearful toll of Canadian casualties on the Somme. Men who found enlistment impossible a year before were now being accepted and those with an A category were being dispatched to England as fast as they could be sent there. Those with lower categories took their places on administrative staffs, and there they remained, to add to the list of forgotten soldiers so far as war veterans allowances were concerned.

By 1917 Canada was scraping the bottom of the barrel for voluntary casualty replacements. The government decided that other means had to be found. In 1917 a general election was held in Canada with conscription as the issue. A union government was elected and a conscription act was passed. This was greatly resented in some parts of our country and it was found difficult to administer. By some it was claimed to be an act of exemption rather than one of conscription. It may have had the desired result but it did nothing toward quieting the bitterness and animosity which the volunteer troops had ingrained in them toward the new recruits. Men arriving in England after the act of conscription was passed were immediately dubbed conscripts, and this name stuck to them for the duration, even though included in the 1917 arrivals were many men who had volunteered early in the war but who had been held in Canada for one reason or another until the latter part of 1917 or the beginning of 1918.

After the war the troops came home and set about re-establishing themselves under the legislation provided for them. So far as war veterans allowances were concerned, it was decreed that a man who had served in the trenches had shortened his life by ten years and he should receive benefits not allowed the man who had served only in England. The term "theatre of actual war" then appeared, and all of continental Europe was included even though conditions in some parts of France were superior to and less dangerous than those in some parts of England and Scotland.

The resentment held by first line veterans toward those soldiers who had enlisted under the act of conscription did not end with the war. Some veterans organizations went so far in fact as to bar such soldiers from membership and recommended that they not be eligible for gratuities and allowances. This attitude no doubt had some influence on the Canadian cabinet of that day, and for years the volunteer soldier who did all his soldiering in this country or in Great Britain re-

mained without entitlement so far as war veterans allowance was concerned.

After the second world war, when the new brand of veterans legislation was introduced, veterans organizations commenced to change their thinking and from time to time briefs were presented to the cabinet of the day asking for changes whereby these forgotten veterans of world war I would be remembered. In 1957 the War Veterans Allowance Act was amended to make eligible all veterans who had served in Great Britain for at least 365 days prior to November 12, 1918. We know that the amendment has now been reworded and the time is now computed from the time the soldier's convoy left Canada rather than from the time it arrived at a British port.

There are some who say the line has to be drawn somewhere. I am one who does not think so. If there has to be a yardstick for measuring the soldier's days of service, then in my opinion it should commence on the date of his attestation. This is the date he placed himself in the hands of the military authorities and attested to serve his country for the duration. In my opinion, it is somewhat ridiculous to measure this 365-day period from any other date than the soldier's date of attestation. This was the date he ceased to be the master of his days, so far as his private affairs are concerned.

I would say that the irony of this whole subject is that there are few members in this house who are familiar with the act who do not agree that the time is long past for this act to be amended. It is not, nor has it ever been, a case of showing charity to these veterans who are so affected. They have earned their entitlement, which we believe they should have been given from the start.

The original War Veterans Allowance Act was amended some time ago to include veterans from our allies in the first war after a residence of 20 years in this country. This length of residence has now been shortened, as we all know, to 10 years. The result is that we are paying, as taxpayers of Canada, war veterans allowance to veterans of the imperial army, Italian veterans and to veterans who served in the Russian, French and Belgian forces during world war I. I want to make it quite clear that I do not regret the eligibility of these veterans, but I do say, let us also look after our own.

[*Translation*]

Mr. Bernard Pilon (Chambly-Rouville): Mr. Speaker, I must congratulate the hon. member for Swift Current-Maple Creek for the public-spiritedness he has shown in introducing this bill, and also for his devotion to the cause of our war veterans, a cause held dear by all of us, in that same capacity.

We all recognize the country's enormous debt of gratitude to the men and women who, directly or indirectly, are affected by this measure. Let us not overlook any means of improving the lot of these veterans, in the matter either of pensions or of hospitalization.

The successive governments, since the last war, have neglected nothing in this respect; they have realized that the people who sacrificed themselves for the preservation of democratic rights are the very people who today must be credited with the development of our society.

However, the hon. members who will follow me will surely be puzzled when they see the difficulties the Minister of Veterans Affairs (Mr. Teillet) will face when dealing with the eligibility referred to in the bill now before us. Our legislation should be the same for all. We know that its application will be very complicated.

First of all, before proceeding with the consideration of this bill, the government should ascertain unequivocally the number of those eligible, which will not be easy.

Second, the number of those already receiving old age security, unemployment assistance or disabled persons allowances should be ascertained so as to prevent any overlapping in the payment of benefits, which would complicate all the more the work of the department.

The partial eligibility resulting from service in the United Kingdom, namely 365 days, should then be established, as well as the *pro rata* payment, or a month's service in the United Kingdom, on a 30/365 basis.

It should also be pointed out that many veterans already receive benefits. If they should come under this act, it is wondered whether they would not suffer a decrease in pension during a certain period. That is where the whole pension and allowance structure should be revised. The whole matter should be thought out.

After such compiling, amounts payable would not be related to established figures and it would be most difficult to prepare estimates. In short, it would thus be very hard to administer Bill No. C-37 and to relate the amounts set with revenues.

Should we stick to the period of 365 days to compute our claims and our compilations? I do not see its immediate importance and I should like to make it very clear at this point

that the government is now doing all it can to improve the lot of veterans in so far as allowances suitable to their case and needs are concerned.

[*Text*]

Mr. T. S. Barnett (Comox-Alberni): Mr. Speaker, I rise simply to say a few words in support of the bill which we have before us. If I understood the last speaker correctly, he said there was no immediate importance to the proposal in the bill. I should like to suggest to him that while this may not be a matter of immediate importance to him, it could be of extreme importance to a veteran in need of assistance who is edged out of eligibility by three or four days or a week.

I believe that one principle which has long been established and recognized in Canada is that the veterans of Canadian forces are entitled to premium consideration with regard to their eligibility for pensions and related benefits because of the fact they have been members of those armed forces and involved in the risks, dangers and disabilities that have arisen from their service in the cause of their country. I may say that my own reaction is that this proposal put forward by the hon. member is a modest one. It is only too bad that when the step was taken to include the veterans of the first world war who had been in the United Kingdom during their service rather than in France, this formula was not included. Certainly it does seem to be a minimal step in regard to fairness, so far as eligibility is concerned, if one is going to accept the principle that some period of service is necessary for eligibility for war veterans allowance.

I must say that so far as my own personal reaction is concerned, particularly after the lapse of all these years, a Canadian veteran who served overseas in the first world war and who needs the benefits that are provided under the War Veterans Allowance Act, should now be entitled to those benefits. I do not know how many Canadians would be involved in that situation in this day and age, but certainly any veteran who is in a position where he meets the eligibility requirements of the War Veterans Allowance Act, regarding his circumstances, and who is a veteran of the first world war, is of an age where he should have entitlement by right to the still rather limited benefits which that act provides over and above those which might be available to him under some other form of assistance supported by public funds.

That is all I wish to say, Mr. Speaker, because I am sure there are other hon. members who want to take part in this discussion. I am sure there is hardly a member of the house who is not from time to time made directly aware of the kind of problems faced by veterans, and particularly by those who are now reaching more advanced years.

Mr. H. A. Olson (Medicine Hat): Mr. Speaker, I want to congratulate the hon. member for Swift Current-Maple Creek (Mr. McIntosh) for doing the work necessary to find some of the gaps and injustices that exist in the application of the War Veterans Allowance Act. As has just been pointed out, I am sure almost every member of the house has at times been confronted with a problem where he knows a veteran who has applied for such an allowance, and is satisfied there is every moral justification for granting one, but then runs into the problem of the interpretation of the regulations, which prevents it from being granted.

I do not believe there are a large number of war veterans who would become eligible following the passage of this amendment; but even if there were a large number, inasmuch as it specifically deals with world war I, most of those veterans are now reaching an age where we certainly have a responsibility to make some provision for them, if they need it.

There is also provision in this bill for calculating the allowance on the basis of the number of days actually served in Britain, if they were less than 365. For that reason it seems to me that a very large additional expenditure would not be involved, but it would correct one of the injustices that exist.

I do not quarrel with the priority of qualification—if you would like to call it that—which is in the present act respecting service in an actual theatre of war, nor even with some of the other provisions of the act. But with reference to veterans from the first world war we have to accept the principle that, whether they served in a theatre of war or not, they did in fact suffer from loss of income and from the opportunity to develop their jobs and businesses while they were in the army. This should be an increasingly important principle to bear in mind because of the present age of most of those veterans.

I also prefer, as a condition for qualification under the act, the date of attestation as a basis of calculation, rather than the actual number of days served overseas. But if the

government is not prepared to accept that date, at least it would be a great improvement if it were to accept the amendment proposed in this bill.

Hon. members should also take into consideration the fact that soldiers had very little control over where they were going to be posted, especially up until 1917. I am not exactly sure of the rules that applied at that time, whether if a man were conscripted it was only for service in Canada, or if there was a specific date when conscription meant for service anywhere in the world. I shall be very brief because I think the time has come when we should accept this principle of service anywhere, be it in Canada or elsewhere. This bill would be an improvement and would remove some of the gaps and injustices in the act.

The Acting Speaker (Mr. Batten): The hon. member for Okanagan Boundary (Mr. Pugh).

Mr. Pugh: May I defer to the hon. member for Winnipeg South Centre.

Hon. Gordon Churchill (Winnipeg South Centre): Thank you very much. I would like to congratulate the hon. member for Swift Current-Maple Creek (Mr. McIntosh) for raising this problem and going to the trouble of presenting a bill and bringing in a very well documented case for our consideration.

I was very much interested in some of the things he said and in his knowledge of the situation with regard to first world war veterans. I took particular note of the indication he gave that he realizes that men who served in an actual theatre of war in the first world war were not at times too kindly disposed to those who did not reach that theatre of war.

Even in a theatre of war such as Belgium and France, the men who were up in the front lines were not too enthusiastic about people who were serving in the base installations. At times that attitude of mind prevailed even with regard to those men who were at rear headquarters and battalion headquarters just behind the lines. That attitude of mind prevailed for a long time, and I am sure it affected the drawing up of legislation in this house and the definition of the word "veteran." The word veteran, to a man who fought in the first world war, meant a person who had actually served in a theatre of war and who had been in grave danger.

The second world war changed the picture very considerably, because men and women from Canada served virtually all over the world, and places in the first world war which were free from serious attack became theatres of war in the second world war. A man who served in Britain in the second world war served in a theatre of war, whereas in the first world war this was not the case; he had to cross the channel before he really ran into any danger. Those of us who were in Britain in the second world war know perfectly well that we were often in a much safer place in a military camp than were civilians in the towns and cities.

So the word "veteran" has changed its meaning over the years and is not as distinctive as it was just subsequent to the first world war. This has caused some difficulty in the Department of Veterans Affairs when legislation was being drawn up, as well as to the veterans organizations. The definition of the word "veteran" has been considerably modified, as is instanced in the notes to the bill in front of us. I quote from the reference to section 30, subsection 3, where a veteran is described as a person who served in the United Kingdom during the first world war for at least 365 days prior to November 12, 1918. Enlargement of the term "veteran" has caused some heartburning in official circles for a long time.

The hon. member for Swift Current-Maple Creek (Mr. McIntosh) indicated the interest of people now in the older veterans, and the advantages of the War Veterans Allowance Act. Of course, it was originally drawn up, as he said, to make provision for men who served in a theatre of war—men who served in the trenches and returned without any visible sign of having served overseas—that is, they were not wounded. Yet as time elapsed medical officers observed that a number of the men who had served in the trenches aged prematurely; unwounded men who had perhaps served for a year or two years or even longer during the engagements in France came home to Canada without any extra provision being made for them at all. But the aging factor became apparent and, consequently, the War Veterans Allowance Act was developed and veterans aged 60 and over, in difficult economic circumstances, became eligible for assistance under that measure.

With the development of social security and a changing attitude in Canada, the Pension Act and the War Veterans Allowance Act have been extended, and I think properly so. The proposal now placed before us is one which is worthy of very serious consideration. I recall, when I was minister of veterans affairs, dealing with this particular problem of the

number of days of service in the United Kingdom. The question of the cut-off date arose. As time goes on, people say: That should be shifted. I think it is only right that it should be shifted with changing conditions. I well recall that we took a good look at the survivors of the South African war. I remember saying to my officials: The survivors of that war are in their eighties and nineties; let us relax the regulations as far as they are concerned, and at least give them a few years of happiness if we can provide some assistance for them. And we did. We were able to assist some of them. Yet under the terms of the act as it stood, they did not qualify.

Now we have reached the stage where the average age of those who served in the first world war is 71. These men are a vanishing race. Some of them, who volunteered for service and who, through no fault of their own, did not reach the theatre of war in France, or who, again through no fault of their own, were in Britain for fewer than 365 days, perhaps require a little more attention than has been given to them up to the present time.

I am not sure that the bill as presently drafted may not need some modification. It is perhaps the type of bill the subject matter of which should be referred to the committee on veterans affairs. Unless this is done it will lapse and this particular problem will not receive the attention it deserves. It will not receive the attention it deserves because the spokesman for the government, the hon. member for Chambly-Rouville (Mr. Pilon) raised the usual objections which come from officials. He said it would be difficult for the department to administer; that it would be hard to determine the number of people who might qualify.

Well, all these difficulties can be overcome. The records are there; they just have to be searched. They show when a man enlisted, how long he was in Canada and how long he was overseas. They have been carefully kept and this is not an insuperable job at all. I was amused to hear the objections which emanate from officialdom. I do not mind the officials raising the objections; that is their job. They have to point out to ministers and parliamentary secretaries the difficulties in the way of new legislation, and they are responsible for showing that these difficulties exist. But as far as the government is concerned, it should deal with these difficulties and take the necessary steps to put some new measure into effect, if it is found as a matter of policy to be worth while.

[Mr. Churchill.]

I think that a bill of this nature is commendable and that the subject matter should be carefully studied. A spokesman for the government might have undertaken to do this. The parliamentary secretary to the Minister of Veterans Affairs (Mr. Carter) is present, and, given the chance, he might have said earlier that his department intended to consider this question and, perhaps, bring in some amendments later in the year. If on the other hand the department intends to do nothing, then the subject matter should be referred to the standing committee on veterans affairs. Let them have a go at it. Officials could be called in to indicate the problems which arise and others could, perhaps, show how these problems could be overcome.

I was glad to hear the hon. member for Comox-Alberni (Mr. Barnett) and the hon. member for Medicine Hat (Mr. Olson) indicate their approval in principle of this measure. They paid their respects to those who have served abroad, and I think Canada generally has been appreciative of those who have volunteered to serve abroad in the defence of freedom. If they are older people, now, I think it is within the capability of the committee to say whether something might not be done for them.

I raise just one question before I sit down. I wonder whether it would be advisable to make a strictly proportionate estimate of the amount of money which might be paid. Perhaps an easier rule of thumb could be introduced in this regard, because you might get 201 over 365 for one man and 59 over 365 for another. I would suggest, Mr. Speaker, that it might be simplified by being divided into three parts, or something of that nature. Even that eventually would not satisfy everyone, but it would remove part of the difficulty of having to deal with, say, 500 people each one having a different percentage of entitlement. However, that is something the committee could decide. I would like to express my approval of the bill, and if it comes to a vote I shall certainly vote in favour of it.

Mr. H. C. Harley (Halton): Mr. Speaker, I would first of all like to commend the hon. member for Swift Current-Maple Creek (Mr. McIntosh) for bringing this matter before the house. I certainly agree with the principle of his bill. However, I agree with the hon. member for Comox-Alberni (Mr. Barnett) that he does not go far enough in his bill, and because he does not go far enough it is going to give rise to difficulties that have not been

mentioned by the hon. member for Winnipeg South Centre (Mr. Churchill).

The section we are discussing today was brought in in 1957 by the previous government. It allowed those veterans who did not get beyond the United Kingdom to become eligible for war veterans allowance, provided they had served a year prior to November 12, 1918. In world war I the United Kingdom was not classed as a theatre of war, but in world war II it was. Therefore veterans of world war I and world war II have been treated differently, with the balance in favour of the veterans of world war II. I should like to read just one quotation from the debates of 1957 in this connection, Mr. Speaker. I have other quotations, but I do not wish to take up the time of the house. I shall read from page 822 of the *House of Commons Debates*, 1957-58. The hon. member for Acadia at that time, Mr. Quelch, said:

> Then I understand that veterans who saw service in England only, under certain conditions will be allowed to receive the war veterans allowance. I have always argued that where a veteran volunteered for service in any theatre of war he was entitled to the war veterans allowance even though he did not get beyond England because that was not his fault. He had volunteered for service anywhere. If the army found that they could use him to better advantage in England than elsewhere, the veteran should not be penalized as a consequence. I am hoping that the legislation will provide that all these veterans who volunteered for service overseas and were left in England will be eligible for the war veterans allowance.

When this legislation was originally drafted it was said it was to look after those who were pre-aged due to hardships and the dangers of serving in the trenches in world war I. The one year provision of service prior to November 12, 1918 was actually recommended by the Royal Canadian Legion and the government accepted that recommendation. I have my doubts about the administration of this bill, for two reasons. First of all, I think for the first time we are going to fragment eligibility. At the present time you are either eligible for a pension or you are not eligible, and then you draw an amount based on the pension or on your disability, depending on the kind of pension you draw. Here we are introducing, for the first time in legislation, a percentage of eligibility. The hon. member in his bill mentions as an example 200 days of service. Therefore a man would be really 200-365ths eligible. At the present time, as most hon. members are aware, the war veterans allowance for a married man is $144 a month. If we were to carry this bill to its extreme, where the man served for one day in the United Kingdom—which is possible—for compassionate reasons or for some other reason—

Mr. Herridge: Or on the high seas.

Mr. Harley: I thank the hon. member for Kootenay West (Mr. Herridge). As I was saying, if a man served for one day in the United Kingdom he would be eligible for a pension of 1-365th of $144 a month, which amounts to 40 cents a month. I think this is highly impractical; there must be a cut-off date somewhere. I disagree with the form of this bill, and in a few moments I shall deal with what I think should be done in this respect. There should be no time limit. With regard to the second reason, which is really based on the first, this fragmentation makes the bill administratively impossible. I have already pointed out that you could have a situation where a veteran was eligible for a 1-365th pension amounting to 40 cents a month. What happens to the veteran who is receiving war veterans allowance and who is entitled to receive treatment for any illness in a war veterans hospital? Does this mean he is eligible, again, for 1-365th of his medication, medicine and drugs? In other words, again there has to be a cut-off date for his treatment. If this date is not to be included in any legislation it becomes administratively impossible for the authorities to calculate what would be the entitlement of a veteran in hospital, having regard to the fraction of time that he served.

As I said when I rose to speak on this bill, Mr. Speaker, I think it is an attempt by the hon. member to bring in a very good principle. I personally believe the bill should be amended by removing from clause (b) all the words after "world war I", which would then mean that anybody who served in the United Kingdom during world war I would be eligible. I think any veteran who served in England in world war I should be given the same entitlement as a veteran of world war II. I would be prepared to support the bill, with that amendment, completely.

May I call it six o'clock, Mr. Speaker.

Mr. MacInnis: Mr. Speaker, as it is not yet six o'clock I wonder whether the house would give consideration to maintaining this particular bill in its priority on the order paper in order that further discussion could be had on it later this session? I see that it is not yet six o'clock, and I would ask that this permission be given by the house.

Business of the House

The Acting Speaker (Mr. Batten): Does the house give unanimous consent to allowing this bill to retain its position on the order paper?

Some hon. Members: Agreed.

Some hon. Members: No.

The Acting Speaker (Mr. Batten): There is not unanimous consent. Before I declare the hour for the consideration of private members' business ended I should like to point out to the house that with regard to the bill we have been debating there is some doubt in the mind of the Chair as to whether the bill is in order. The Chair has not intervened, for the simple reason that the Chair was not of any definite decision, and neither was the matter raised by any hon. member who spoke in the debate. I bring this to the attention of the house because I would not want the house to use this debate, when there is some doubt in the mind of the Chair, as a precedent for another debate, when there was no doubt in the mind of the Chair.

Mr. McIntosh: Mr. Speaker, may I say a word on this matter before we leave the subject? I was quite prepared to debate this point if it were raised. I think hon. members will agree that the topic about which I spoke was the eligibility of veterans under the existing provisions. In other words, the money has been provided; the question is just those who are eligible to partake of that money. It has nothing to do with money matters, as far as I am concerned; this question is the eligibility of veterans to partake of money already provided by parliament.

BUSINESS OF THE HOUSE

The Acting Speaker (Mr. Batten): It is my duty, pursuant to provisional standing order 39A, to inform the house that the questions to be raised at ten o'clock p.m. this day are as follows:

The hon. member for Winnipeg North (Mr. Orlikow), immigration; John Thomadakis, opportunity to obtain legal counsel: No. 2, the hon. member for Halifax (Mr. Regan), national defence, Halifax; dismissal of civilian cook: No. 3, the hon. member for Lapointe (Mr. Grégoire), administration of justice; continuation of studies by F.L.Q. members in prison.

At six o'clock the house took recess.

AFTER RECESS

The house resumed at 8 p.m.

[Mr. MacInnis.]

CANADIAN FLAG

OFFICIAL ESTABLISHMENT OF NEW DESIGN

The house resumed consideration of the motion of Mr. Pearson, and the amendment thereto of Mr. Diefenbaker:

That the government be authorized to take such steps as may be necessary to establish officially as the flag of Canada a flag embodying the emblem proclaimed by His Majesty King George V on November 21, 1921—three maple leaves conjoined on one stem—in the colours red and white then designated for Canada, the red leaves occupying a field of white between vertical sections of blue on the edges of the flag.

[*Translation*]

Mr. Caouette: Mr. Speaker, when the house adjourned at five o'clock I was saying that a great many Canadians who want to see Canada free at last from any colonial signs also want Canada to be recognized as a sovereign, independent and free nation.

If so, why did the Prime Minister, after indicating a clear track in Winnipeg, suddenly resort to a switch if not to please some fanatics still existing in our country, not only on one side but on both sides, because I have always considered that those who wanted to see Canada connected with foreign affairs as well as those who do not want to see anything but their own personal interest, are hindering national unity.

Throughout Canada, the press was critical of the government's action. I should like to quote an editorial which was published in *Le Devoir* and which was written by one of French Canada's most moderate newspapermen, a man who has no hallucinations, Mr. Paul Sauriol. This is what he had to say:

Dividing the resolution would make it possible for the government to get out of a mess. A resolution on a distinctive flag and on the anthem O Canada would surely be carried.

Here, I must congratulate Your Honour for the decision you took yesterday with respect to the resolution. Perhaps it would not have compromised national unity in the long run, because personally I do not feel that the flag issue can strengthen national unity in Canada. There are other factors which will help to strengthen Canadian unity and not just the adoption of a flag or a national anthem. But separate resolutions will help us to consider the matter objectively.

As for the resolution on the union jack and God Save the Queen, they are not essential to the election promise concerning those British symbols. In any case, separate resolutions would help to indicate the subordination of the old symbols to the new ones.

Mr. Sauriol concluded his editorial of June 2 by saying:

> The union jack and God Save the Queen are not in England symbols restricted to the crown as such; they are the national flag and the national anthem of the United Kingdom. Mr. Pearson's proposals emphasize the British character of the crown in Canada. These traces of imperialism are bound to create deep uneasiness in the province of Quebec at the present time.

Not only in Quebec, but also in many other Canadian provinces.

At this point, I would like to say that we Quebeckers would object just as much to a symbol representing France which is, in the final analysis, the country where we have our roots, whose soil has nurtured our own French Canadian roots—our forefathers came from France—but we would not accept a French symbol as an emblem for Canada. We want to be what we have always been, true Canadians who are determined to remain so, Canadians who want emblems and symbols meant especially for them and for nobody else in the whole wide world.

Then again, the editorial writer in *La Presse*, Mr. Guy Cormier, did not mince his words and put on kid gloves when he maintained, on June 3 of this year, that this political principle, "divide and rule", set down by one of the Prime Minister's predecessors, namely Mr. Mackenzie King, no longer applied nowadays.

Here are a few excerpts from that editorial:

> Mr. Pearson, who went to Winnipeg to take the bull by the horns, will not try to come and sell the union jack in Quebec. When he came to Montreal last week, to attend the convention of the Canadian Manufacturers' Association, the Prime Minister did not even refer to the matter. He knows how Quebec feels about the union jack.
>
> He is trying to gain time, time being the best ingredient in which to dissolve a compromise.
>
> But Mackenzie King's recipes are now worthless.

Mr. Speaker, it does not mean that we have no respect for the union jack. When the union jack is presented to Canada as the flag, the emblem of England, we agree, we acquiesce and we recognize it as a flag that advocated and spread the ideas of personality in the whole world, and we are prepared to respect it. But when an attempt is made to impose the union jack as a national emblem, we do not agree at all, not any more than we would agree for the emblem of France or for Frenchmen who would come to Canada and tell us what we should or should not do. We can decide for ourselves. The Prime Minister tried to gain time, because time is the ingredient which can best dissolve compromise. But Mackenzie King's recipes are no longer worth anything. No, Mr. Speaker, the recipes cherished by Mackenzie King are now worthless in Canada, in 1964, especially when the people of Quebec realize how they were exploited for years by politicians belonging to all the old parties.

The government had to retreat and capitulate. They took their time, letting the resolution simmer on the order paper for weeks.

And suddenly, we are faced with an intervention by the hon. member for Winnipeg North Centre (Mr. Knowles) who, with references to support his argument, claimed it would be better to divide the original resolution. The right hon. Prime Minister contributed his patter, half one thing and half another, whereas Mr. Speaker's decision was perfectly in accord with the arguments and quotations put forward by the hon. member for Winnipeg North Centre.

It is evident that the ruling made yesterday afternoon was not a spontaneous one, issuing from the debates which took place in this house before five o'clock, but that the whole thing had been orchestrated by a master hand.

Mr. Speaker, we appreciate your ruling, for it now allows us to study this question of a distinctive flag with all due objectivity and without running against contradictory factors which would have precluded us from voting yes or no on the original motion.

However, I shall not go so far as to say that we are entirely satisfied with the choice of a distinctive flag made by the government.

If, on the one hand, the government no longer forces us to vote for legislation which materializes and recalls our subordination to the crown of Great Britain, it nevertheless remains that the flag design bearing three red maple leaves is in itself of British and regal inspiration.

First of all, let us read the text of the resolution:

> That the government be authorized to take such steps as may be necessary to establish officially as the flag of Canada a flag embodying the emblem proclaimed by His Majesty King George V on November 21, 1921—three maple leaves conjoined on one stem—in the colours red and white then designated for Canada, the red leaves occupying a field of white.

Here is an admittance, Mr. Speaker. It is not an emblem chosen by the Canadian people in 1964. There is no question of an emblem selected by the Canadian government in 1964. But the emblem is that proclaimed by King George V in 1921. Besides, here is

how this royal proclamation by George V in the year 1921 reads in part:

[*Text*]

We do hereby, by and with the advice of our privy council, and in exercise of the powers conferred by the first article of the union with Ireland act, 1800, appoint and declare that the arms or ensigns armorial of the dominion of Canada shall be...and the third division argent three maple leaves conjointed on one stem proper...

Given at our court at Buckingham palace, this twenty first day of November, in the year of Our Lord one thousand nine hundred and twenty one, and in the twelfth year of our reign.

Mr. Churchill: May I ask the hon. member a question? Will the hon. member accept a question?

Mr. Caouette: Yes, definitely.

Mr. Churchill: I wonder whether the hon. member would translate the word "argent" for us?

Mr. Caouette: Definitely, if it does not take any of my time.

Mr. Churchill: Thirty seconds. Will the hon. member translate the word "argent" in the passage he read and tell us what it means?

Mr. Caouette: Silver.

Mr. Churchill: Silver maple leaves, and it does not say anything about red or on a white background.

Mr. Caouette: They had red, but were probably using argent or silver around those maple leaves at that time in 1921.

Mr. Churchill: Where is the red?

Mr. Caouette: This is 1964 and probably my hon. friend is still in 1921.

Mr. Churchill: You did not answer the question.

[*Translation*]

Mr. Caouette: That document was tabled on December 4, 1945, before the joint committee of the Senate and the House of Commons when it was considering the question of a Canadian flag. For the information of committee members, Colonel A. Fortescue Duguid, official heraldist and historian of the Canadian expeditionary corps during the war of 1914-18, translated the royal proclamation into simple words, as follows:

The king, at the request of Canada, attributes to Canada white and blue as national colours and declares that the national emblem of Canada shall be constituted by three red maple leaves on one stem against a white background.

[Mr. Caouette.]

That, he said, answers the two following questions: "What are our national colours? What is the Canadian emblem?"

Now, Mr. Speaker, since those colours and that emblem were given to us in 1921 by King George V, they are not colours and emblems typically Canadian, chosen finally by Canada, by Canadians, by the Canadian parliament, but by the king of England and Scotland, who was then the emperor of India.

Such is the origin of the Pearson flag. It is not a flag that he has chosen. It is not colours that he has chosen. It is not an emblem that he has chosen. They are relics from the past, old souvenirs taken out of the drawers of Buckingham palace or of the colonial office and assigned to Canada more than 43 years ago.

Last night I heard the Leader of the Opposition tell us that we must not abandon old souvenirs; I regret that he is not here at this time, for I would tell him and his colleague, and especially his assistant—who is not his assistant but still the hon. member for Three Rivers (Mr. Balcer)—

Mr. Pigeon: Why don't you shut up.

Mr. Caouette: —that I would not like to put on the boots of my great grandfather in 1964. But if my hon. friend from Joliette-L'Assomption-Montcalm is at ease in the boots of his great grandfather, let him put them on; then he will greatly help the parliament of the Canadian people.

Mr. Pigeon: You always lack judgment.

Mr. Caouette: Would the hon. member for Joliette-L'Assomption Montcalm have a question to put to me?

Mr. Pigeon: Mr. Speaker, I should like to ask the hon. member for Villeneuve a very simple question. I want to ask him when he is going to resign for the good of the Canadian people?

Mr. Caouette: Mr. Speaker, you can see that the question just asked by the hon. member for Joliette-L'Assomption-Montcalm shows exactly what his frame of mind has been since he has come to this house. It is a stupid question which does not even deserve an answer, because the hon. member is but a simple member or a simple-minded one, I do not know how to put it.

Mr. Pigeon: Mr. Speaker, I rise on a question of privilege. I am of the opinion that the hon. member for Villeneuve has shown a lack of judgment in his comments, and that

is why he has his speeches prepared by somebody else, because it is impossible for him to give a speech without notes.

Mr. Deputy Speaker: Order. May I ask hon. members to restrict their comments to the matter now under consideration?

Mr. Caouette: Mr. Speaker, you know quite well that I was restricting myself to the matter under consideration. However, the member for Joliette-L'Assomption-Montcalm is always outside the question or off the track, as the saying goes. Let us leave him alone and proceed with the discussion of the matter now under study.

Mr. Pigeon: Go on reading, read well.

Mr. Caouette: Mr. Speaker, when the hon. member for Joliette-L'Assomption-Montcalm says: "Go on reading", I suggest to him to read from now on, because when he does not, he is irresponsible, incoherent and he speaks like a stupid member.

Mr. Pigeon: Mr. Speaker, I rise on a point of order. The hon. member for Villeneuve is out of order; he is departing from the matter under discussion.

Mr. Caouette: Mr. Speaker, the hon. member for Joliette-L'Assomption-Montcalm is still in the field, not in a potato field but rather in a tobacco field, since he comes from a tobacco-growing county.

And to proceed with my remarks on the resolution under study—

Mr. Pigeon: Mr. Speaker, under standing orders, a member is not supposed to read his speech.

Mr. Deputy Speaker: Order. Once again, I would ask hon. members to deal strictly with the matter under consideration.

Mr. Pigeon: Mr. Speaker, standing orders prohibit a member from reading his speech, and this is what the hon. member for Villeneuve is doing.

Mr. Caouette: Mr. Speaker, the hon. member for Joliette-L'Assomption-Montcalm told me that he was in favour of the red ensign. Therefore, let us leave him alone, and not bother with him any further.

Mr. Pigeon: Mr. Speaker, I assume that the hon. member for Villeneuve is in favour of the union jack.

Mr. Caouette: Mr. Speaker, I would not want you to include in my own time the minutes taken up by the hon. member for Joliette-L'Assomption-Montcalm in making trivial remarks.

Having been in power for five years, a period marked by indecision, retreat and withdrawal, the former prime minister who enjoyed for four years, a majority never seen before in our country—

Mr. Balcer: Mr. Speaker, the hon. member is forbidden by the rules of the house—

Mr. Deputy Speaker: Order. Is the hon. member for Three Rivers raising a point of order?

Mr. Balcer: Yes, Mr. Speaker. Under the rules of the house a member cannot read his speech and I ask you to apply the rules.

Mr. Grégoire: He is saying that because he cannot read.

Mr. Deputy Speaker: Order. Would the hon. member for Three Rivers tell me on what standing order he is calling?

Mr. Balcer: Mr. Speaker, it is an old custom, which has always been recognized in the house, that a member cannot read his speech. On the other hand, it must be recognized that in the case of some hon. members it is a little more difficult to apply the rules, especially when those members are not too sure of their arguments. However, I feel that the house must bear with the hon. member for Villeneuve and let him read his speech.

Mr. Speaker, I now remember that it is standing order No. 44 which reads as follows:

[*Text*]

It is a rule in both houses of parliament that a member must address the house orally, and not read from a written, previously prepared speech, for the reason that, "if the practice of reading speeches should prevail, members might read speeches that were written by other people, and the time of the house be taken up in considering the arguments of persons who were not deserving of their attention."

Mr. Deputy Speaker: If the hon. member will read page 125, in the middle of the page, he will see that there has been a growing practice in the other direction. We all know, of course, that over a period of years the practice has been growing in the house to allow members, in certain instances, to read the speeches that they present to the house. Unless serious objection is taken at this time, the hon. member may continue to read his speech and I suggest that the matter be left there.

Mr. Balcer: I want to be tolerant. I know that the hon. member for Villeneuve (Mr. Caouette) is not used to making speeches and

in the last couple of years he has made very few of them. I am ready to permit him to continue to read the text of a speech which has been prepared by some other member—I don't know who.

[*Translation*]

Mr. Pigeon: Could the hon. member for Villeneuve tell us whether his speech was written by Mrs. Gilberte Côté-Mercier?

Mr. Caouette: Mr. Speaker, I am just consulting my notes, but the hon. member for Three Rivers would not understand, since he does not know how to read. In fact, he is afraid that I might quote from the speech made by his leader yesterday evening, because it would be embarrassing for him to hear a rerun of such an anti-Canadian speech, which was so detrimental to national unity.

When the Conservative leader spoke yesterday evening, the hon. member for Three Rivers was sitting behind the hon. member for Joliette-L'Assomption-Montcalm and both were white in the face while listening to his remarks.

And now, the hon. member for Three Rivers is telling me tonight that I am reading my speech.

Mr. Balcer: It would be better for you if you read it.

Mr. Caouette: Should the hon. member for Three Rivers be aware of the situation, I can meet him anywhere in the province of Quebec. He is the deputy leader, no, not the deputy leader but perhaps the deputy leader of the Conservative party in Quebec, and I am ready to meet him anywhere in the province.

[*Text*]

Mr. MacInnis: I rise on a point of order, Mr. Speaker. It has been brought to the hon. member's attention that he should deal with the matter before the house. Whether he wishes to treat this as a serious problem or whether the members of the Liberal party who are laughing at the antics going on in the corner, wish to treat this as a serious matter, that is for them to decide. However, we should not be wasting our time listening to what is going on now. Your Honour should press the ruling you have just made that the hon. member should stick to the point before the house.

Mr. Deputy Speaker: Order; the point raised by the hon. member is of course well taken. As he has mentioned, the Chair has brought to the attention of the hon. member for Villeneuve the fact that he should limit his remarks to the subject matter before the house at this time.

[*Translation*]

Mr. Caouette: Mr. Speaker, I am ready to agree that I should limit my remarks to the resolution presently under consideration, but I would ask the hon. member who just rose on a point of order to inform his colleagues of his own political party to sit still and quiet and be at least polite in this house.

[*Text*]

Mr. Winkler: I have yet to hear you say anything relevant.

[*Translation*]

Mr. Caouette: Mr. Speaker, I hear the whip (Mr. Winkler) of the Conservative party objecting to our remarks. Let me finish my speech on the resolution, and I wish the Conservatives would shut up.

Mr. Speaker, according to the Leader of the Opposition, the people have to be consulted through a referendum. In view of that suggestion, I shall ask the Leader of the Opposition and the members of his party, those for Three Rivers (Mr. Balcer) and Joliette-L'Assomption-Montcalm (Mr. Pigeon) included, why they did not resort to that referendum when they were in power in Ottawa and free to do so, while they enjoyed the greatest majority a political party has ever had in the federal parliament? Why did they not resort to that referendum or plebiscite that the Leader of the Opposition now asks of the party in office?

Mr. Pigeon: You defeated us, with the Liberals.

Mr. Caouette: Today, the Conservatives come up with proposals they never had the courage to introduce themselves while they could—

[*Text*]

Mr. Starr: I wonder if the hon. member for Villeneuve would allow a question?

Mr. Caouette: If you want to ask me a question right after my speech, you will have one half hour to ask me questions.

It is not because the hon. member is not my friend, he is one of my best friends and I am one of his.

Mr. Starr: I object; it is the worst thing that could happen to me.

[*Translation*]

Mr. Caouette: Mr. Speaker, would it be possible to silence the stupid people who interrupt from time to time in this chamber?

As far as we are concerned, Mr. Speaker, we will vote for the motion introduced by the government and will not be afraid to assume our responsibility for that action before our electors.

We intended to move an amendment to that motion, or an amendment to the present amendment, in order to propose the flag that I had this afternoon in the house. We will not do so.

Some hon. Members: Oh, oh.

Mr. Caouette: We will not do it because we are anxious for a distinctive national flag to be adopted in this house for the whole of Canada. We do not have the right to delay the adoption of a distinctive national flag, and I am not saying that because I am a Liberal, far from it; I may be one in the true sense of the word but not in the shrunken sense it has at the level of a political party.

Mr. Speaker, we will fully support the first government resolution and we will vote against the Conservative amendment because it is meaningless, since that party did not take its responsibilities when it was sitting on your right a few years back.

We will vote and we will not be afraid to take our responsibilities. That is why, Mr. Speaker, our group will vote against the amendment moved by the leader of the opposition and the hon. member for Trois-Rivières and the hon. member for Joliette-L'Assomption-Montcalm will no doubt join us in that respect.

On the other hand, we are not satisfied with the proposed design; we would have preferred another one. Still, before the 10.30 edition of the C.B.C. news last night, I saw on television the new maple leaf flag flying from some flagpole and I must admit that it did attract attention. The flag is a means of creating, not so much pride, at home, but a deep satisfaction in having a typically Canadian flag, representing all sections of Canada and not only part of it.

Mr. Speaker, a few days ago, when we came into this house with the miniature design of a flag we were favouring, I heard a Conservative member say that we only had a rag to offer. I shall answer him exactly as Molière says in "Les Femmes savantes": "Rag it is, if you call it that way, but my rag is dear to me." The rag that the right hon. Prime Minister of Canada has presented, is agreeable to us; it is dear to us because it represents the Canadian spirit.

But we can neither imagine nor accept that the Conservatives or the non-Canadian elements—I repeat it, they are not Canadians—object to a distinctive national flag.

This emblem which we want for Canada is the one advocated by La Ligue du Canada and the Native Sons of Canada. It will not be accepted, we will not put it forward as a subamendment or an amendment, because we are looking forward to the disposal of the flag issue, and we feel that there are more important problems to deal with in Canada. The flag must mean something for Canadians and we do not want to see an unemployed strolling about with a flag which for him would mean poverty amidst plenty.

The right hon. Prime Minister expressed it very well yesterday afternoon, when he said: Not only the flag, but also the fight against undeserved poverty in a Canada of plenty. In that respect, we shall support the Prime Minister without reserve.

Yet, at the same time, I shall ask the Prime Minister to listen to us and to consider the suggestions we have made during the past three years in the House of Commons.

Mr. Deputy Speaker: Order. May I interrupt the hon. member, because his time expired at eight thirty o'clock. I thought I might grant him about five additional minutes, considering the various points of order and questions of privilege which were raised during his remarks.

Unless he is just about to finish his remarks, I would suggest that the hon. member give his place to another member.

Mr. Caouette: Only two minutes more, Mr. Speaker.

Mr. Pigeon: No, Mr. Speaker, no, no, no.

Mr. Deputy Speaker: Order.

Mr. Favreau: To my mind, it would be in order that the five parties grant the hon. member another five minutes.

Mr. Deputy Speaker: Order. The hon. member for Villeneuve will admit that he cannot continue his remarks without the unanimous consent of the house. He has been refused this unanimous consent.

Some hon. Members: Yes, yes, yes.

Mr. Pigeon: No, no.

Mr. Caouette: I think I have unanimous consent—

[*Text*]

Mr. Pigeon: No, Mr. Speaker.

Canadian Flag

Mr. Starr: Mr. Speaker, I wonder if the hon. member would be permitted two more minutes so that I could ask him the question I intended to ask him during his speech, when he said I would have half an hour in which to ask a question?

Mr. Deputy Speaker: Is it clear the hon. member has the unanimous consent of the house to continue now?

Some hon. Members: No.

Mr. Deputy Speaker: The hon. member does not have unanimous consent. The hon. member for North York.

[*Translation*]

Mr. Caouette: Mr. Speaker, I rise to a question of privilege. Could I know who objects to my going on for two more minutes so as to conclude my remarks? I have seen nobody objecting to that.

Mr. Pigeon: Mr. Speaker, I object to the hon. member for Villeneuve continuing to read his speech.

[*Text*]

Mr. John H. Addison (York North): Mr. Speaker, in the twenty fifth parliament of Canada I had the opportunity in my maiden speech of following the hon. member for Villeneuve (Mr. Caouette). This is now the twenty sixth parliament of Canada and, as I watched the spectacle across from me this evening, while it seemed to me my maiden speech was a very important one, the speech I hope to be able to make this evening will be perhaps the most important I shall ever make in this house.

I represent the riding of York North and in it, from north to south, we have the towns of Sutton, Newmarket, Aurora and Richmond Hill. Many of these towns were settled by United Empire Loyalists who left the United States during the rebellion against Britain, to live in a land loyal to British tradition and constitutional monarchy. These people preferred king and country to the so-called war of independence. They settled in Canada, and Canada has become strong with their strength and courage.

When the Loyalists came to Canada they bore with them the flag of union, the union jack, and it flies proudly today throughout my riding. The descendants of these people are still loyal to those traditions even today. In my riding we recall the indomitable little firebrand and rebel, William Lyon Mackenzie, our loyal representatives over the years, Aylesworth, Mulock, King, all leaders in government, pathfinders over the years, reformers loyal to the traditions of the flag of their day.

Flags, Mr. Speaker, are a strange creation. They are used as merely pieces of silk held aloft in some instances to identify the status of a chief, to mark the arrival of a leader, or to denote the arrival of an enemy.

They were first used in India and China, primarily for the purpose of identification. Other uses arose. They were used to show the forces of the leader. In medieval times, the flag was the first point of attack. When the flag had fallen, consternation among the flagless army ensued, and the battle was soon lost. In victory, the flag rallied the victorious army to the chase to press on to the eventual rout of the enemy. Moreover, at sea the flag was more than a rallying point; it became a method of signalling. All this, of course, is aside from mere decoration and display for which flags have been used. What English seaman has forgotten the white naval ensign of Nelson at the battle of Trafalgar? One of my hon. friends says it was the red ensign. In fact, that ensign is a good example of a flag which served as identification of the status of a commander, as a signal, as a rallying point and later for decoration and display after the battle.

In one word, then, Mr. Speaker, flags have become for us after all these uses, symbols. They become the physical manifestations of the emotions for which they stand. They remind us of our past, indicate our present status and point with pride to the future.

One of the flags I intend to vote for when the final division bells ring is the union jack. It reminds Canadians of their past traditions. It indicates our present status in the commonwealth of nations and points with pride to our future close association with Great Britain. The other flag for which I intend to vote will be a distinctive Canadian flag which will remind us of our Canadian past with a world recognized symbol of that past, the maple leaf; it will show our present status as an independent nation, being, in the words of the Prime Minister (Mr. Pearson), a flag which is Canada's own and only Canada's. Moreover, it will point with pride to our future as a united nation—one Canada from sea to sea, strong, powerful and free.

I wish to direct my remarks to the amendment which has been proposed by the leader of the official opposition (Mr. Diefenbaker), that is, the proposal to submit this question to a national referendum or plebiscite. I am astonished that the Leader of the Opposition

should have made this suggestion because as late as last Wednesday speaking on C.B.C. television, he had this to say:

> Put this matter of the flag before the Canadian people and I fear the result.

On the same program, he said: "You say, should it go to the Canadian people? I say, no."

An hon. Member: You wouldn't be quoting him out of context, would you?

Mr. Addison: For someone who is well versed in British traditions as well as in the parliamentary traditions of this country to propose a referendum, is astonishing. A referendum strikes directly at the entire concept of British parliamentary democracy. As the encyclopaedia of Canada says at Volume 5, page 232:

> A referendum is a constitutional device whereby a question with which the legislature does not feel itself capable of dealing is referred to the electorate in a popular vote. It has been borrowed from the United States.

The same encyclopaedia concludes:

> It is clear, however, that both the referendum and the initiative are alien to the spirit of British parliamentary government.

Why are they alien? The answer can be found in the words of Professor Dicey, the late distinguished expert on constitutional law and practice. Professor Dicey says this:

> The referendum diminishes the importance of parliamentary debate and thereby detracts from the influence of parliament. That this must be so admits of no denial; a veto, whether it be exercised by a king or by an electorate, lessens the power of the legislature.

Of course, it is easy for us to see why the referendum has been used so often in the United States. There the division of powers is definite. In the federal government, and in each and every state government, the legislative branch is distinct from the executive branch. The president is separated from congress; a governor is separated from the state legislature. Thus the referendum or plebiscite is resorted to. Incidentally, the Encyclopaedia Canadiana, volume 8 defines plebiscite this way:

> A device for ascertaining the opinion of the electorate on a question, but not involving any legal obligation on the legislative body to act upon it.

When the executive branch and the legislative branch in the United States disagreed, resort was made to the people to solve the disagreement and the public at large was asked to vote. The executive arm would request the referendum, the people would vote, and then the legislature would be forced to act in accord with the simple yes or no of the people. That may be compatible with the separation of powers in the United States. It is not compatible with the British and Canadian parliamentary and ministerial tradition. As the distinguished professor of government, William B. Munro said in his book "American Influences on Canadian Government":

> In Canada a provincial legislature is elected, and a ministry is placed in power to carry out the will of the legislature. If, then, the people can directly initiate legislation, if they can directly enact or reject legislation, the whole principle of unified ministerial responsibility is seriously impaired. For a ministry cannot serve two masters —the legislative body insisting on one thing, and the electorate requiring something different.

Our system of government is based upon the direct responsibility of the ministry to the legislature and of the legislature to the people. There is no "double harness" here; a ministry does not ride the legislature and ride the people at one and the same time. The ministry proposes to parliament; parliament acts, and if parliament does not approve, the ministry tenders its resignation and the people vote for a new leadership. It is, I think, significant that in the 1920's—and this will interest hon. gentleman opposite in particular—the Progressive Conservative premier of Ontario, Hon. George Ferguson, announced that there would be no more popular votes on the liquor question in the province but that the legislature and cabinet would deal with the issue and take full responsibility for it—as ought to be done in any scheme of government based on the direct responsibility of the ministry to the legislature, and of the legislature to the people. This government, too, has that responsibility, and if parliament disagrees, the government will resign; or if the people disapprove, they may vote out the government at the next general election. But a parliament is elected to decide all questions of government and take responsibility for its decisions.

One party is given a mandate by the people on the basis of that party's leadership and the platform presented at the time of the election; another party forms an opposition, Her Majesty's loyal opposition, to play its role in that responsibility. A referendum isolates an issue; demands a simple yes or no. At times of great emotion—and any referendum on the question of national symbols would be a time of great emotion—a simple yes or no cannot decide governmental policy. At times such as this we have all been

subjected to the pressure groups that lobby here in the house. A referendum gives pressure groups time to organize, to spend a great deal of money and further cloud the issue by excessive emotionalism. The balkanization of this country would be a sad sight; the spectacle would become demeaning to parliament, because the legislature would be ignored in this particular process. If we had a referendum or a plebiscite the men elected to this legislature would be left to stand and watch, to abdicate their responsibility. The cabinet would be left in an invidious position as well. It must make a proposal under a plebiscite, a proposal it was elected to implement, not to the legislature, not to the people's representatives, you and I,—and written in such a way as to demand a yes or no. It must bypass parliament and go directly to the people and then tell parliament, in effect, the result.

It is little wonder, then, that the referendum has almost never been used in Canada—I think, twice—and I believe never in British political history. I would like to quote from the Prime Minister's speech of yesterday, as reported at page 4319 of *Hansard,* when he referred to the present Leader of the Opposition (Mr. Diefenbaker) and his remarks on January 26, 1942 concerning a plebiscite. The present Leader of the Opposition had this to say:

> Allow the members of parliament to vote on this question. Do not submit the question to the people of Canada, for in my opinion, the taking of a plebiscite at this time may well destroy the unity of Canada.

Then the Prime Minister said yesterday:

> Later, when the decision was made, he said this on February 25, 1942, as reported at pages 836 and 837 of *Hansard*:
>
> "A plebiscite is to be taken regardless of the fact that in the long history of Great Britain, with all the constitutional changes which have taken place, no government has ever submitted any matter to the people by way of plebiscite."

Mr. Nesbitt: What did the Liberals do in that period?

Mr. Addison: They were not very successful, I think, as you probably realize. In reply to the hon. member for Oxford (Mr. Nesbitt), I am speaking now of plebiscites, not the government in question. I should like to quote Professor Munro again, speaking of the role of the provinces, and his remarks are also attributable to the central government. I would like to place this on the record:

> In the Canadian provinces, where the ministers are responsible to the legislature, and when a general election can be held at any moment... there is scarcely a single valid argument that can be put forth for direct legislation. There are no plebiscites in England where the theory of ministerial responsibility is understood and appreciated in its various implications. The practice of referring issues directly to the people is an importation from the United States where ministerial responsibility does not exist.

Mr. Speaker, I would now like to quote excerpts from a television interview of last Wednesday, June 10, of the right hon. Leader of the Opposition, who said this:

> But this is not a matter for an election. This would solve nothing. As a matter of fact in parliament today it is parliament's responsibility to took after this matter, providing we could come to a reasonable degree of agreement.

Therefore, Mr. Speaker, I reject the amendment proposed by the Leader of the Opposition.

Some hon. Members: Hear, hear.

Mr. Winkler: That is no surprise over here.

Mr. Ricard: We kind of expected that.

Mr. Addison: I reject it because, as the Leader of the Opposition knows, it is demoralizing and demeans the parliament elected to consider the actions of the government of the day. We were all elected to be the people's representatives and decision makers on behalf of the people. In fact, those who are elected to serve Canada in parliament owe the electors more than the advocacy of non-controversial ideas. We members of parliament owe Canada our best judgment, and we fail Canada if we fail to exercise that judgment or if we pass our responsibility for judgment back to the electors who sent us to parliament.

Some hon. Members: Hear, hear.

Mr. Addison: The government is the Queen's representative and the ministers of the crown. Parliament sits in judgment on the ministry, and parliament decides whether or not the ministery may continue with the confidence of the people's representatives. This parliament has had submitted to it one resolution on the flag issue, which was subsequently divided by the decision of the Speaker yesterday. The ministry has met its obligation to submit a proposal for a distinctive Canadian flag to parliament, and parliament, in the British and Canadian tradition, must now decide. The leader of our party has campaigned on a distinctive Canadian flag in the last two elections.

An hon. Member: Where?

Mr. Addison: It has been a prominent plank in our party's platform for the last four years.

Mr. MacInnis: Mr. Speaker, would the hon. member permit a question?

Mr. Addison: Later, Mr. Speaker. Our responsibility was to submit the design to parliament—and this we have done. For myself, I advocate a flag, as I said previously, which is Canada's own and only Canada's; a distinctive Canadian flag which cannot be mistaken for that of any other country; a flag which represents the past, symbolizes the present and points to the future. The flag of the union, the union jack, is much loved in this country and I will vote to retain it in our land.

Some hon. Members: Hear, hear.

Mr. Muir (Lisgar): What about the red ensign?

Mr. Addison: But I will vote, too, for our own Canadian flag, one that I know will be flown throughout my country with pride, respect and patriotism.

Mr. MacInnis: Mr. Speaker, perhaps the hon. member will accept a question now.

Mr. Addison: Yes.

Mr. MacInnis: In closing his remarks the hon. member continually referred to a distinctive Canadian flag. I would ask him to review the notes that he just read, and he will find that his original remark was "one of the flags that I intend to vote for". Then he went on to speak about another flag. How can the hon. member open a speech by referring to one of the flags he intends to vote for, then speak about another flag, and close by referring to "a distinctive Canadian flag"?

Mr. Addison: I intend to vote for the distinctive Canadian flag put forward by the government in this resolution, and for retaining the flying of the union jack.

Mr. Robert C. Coates (Cumberland): Mr. Speaker, one of the statements coming forth from Liberal spokesmen today which will be heard over and over again almost to the point where you will consider one parroting the other is to the effect that "I will vote for a distinctive Canadian flag". Mr. Speaker, flying over the peace tower at this time is a distinctive Canadian flag. It is distinctive because it represents our past, our history and tradition, the sacrifices our people have made in war and peace, the founding cultures of our nation—a flag that is representative of everything that is great in this country.

Some hon. Members: Hear, hear.

An hon. Member: No.

Mr. Coates: I hear "No", Mr. Speaker. That is the "no" of those who are now on the road, not only to destroying our flag but to removing this country from the British commonwealth of nations. That is the "no" of men who have no respect apparently for our past, for our British tradition, for the things that we hold dear. These are the men who are now marching us down the road to republicanism. The republic is next. This is the thing that the people of this nation fear. This is the thing that the people of this nation must face up to. If they say "yes" to the elimination of the union jack from our flag, what will they say "yes" to next week? That is the question I should like answered.

With regard to three maple leaves, if this party opposite is so terribly concerned and dedicated to maple leaves, why not "The Maple Leaf Forever" as our national anthem? We hear nothing of that, not a word. The maple leaf on our flag is representative of nothing; it is representative of nothing of our past—of our past tradition, of our past history, of our association with either Britain or France.

Now, Mr. Speaker, we also hear a great deal of talk about this being an election promise. This was one of those election promises which has to be fulfilled. The Liberals told the Canadian people they were going to give them a new flag within two years, and they have to do it. What about the two ministers of agriculture? What about the $2 wheat? What about the—

[*Translation*]

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

It is obvious, Mr. Speaker, that what is before the house at present is the amendment moved yesterday by the right hon. Leader of the Opposition, which was accepted by Mr. Speaker and, since there was no appeal from the ruling, it was therefore also accepted by the house.

This amendment deletes all the words after "that".

Some hon. Members: Order, order.

Mr. Favreau: Mr. Speaker, I think I have the right to state my point of order. My point of order is the following. An amendment is before the house.

[*Text*]

My point of order is to the effect—

Mr. Nesbitt: You are just wasting time, that is all.

Mr. Pickersgill: Surely we on this side can speak as well.

Mr. Favreau: My point of order is to the effect that what is before this house is the amendment which was presented yesterday by the Leader of the Opposition (Mr. Diefenbaker). This amendment bears on one point, and it is the following. Must the procedure to be followed with respect to the adoption of a Canadian flag be the adoption of a resolution by this house; or must the procedure be by way of plebiscite?

The hon. gentleman, who I admit has been interrupted by my point of order, began his speech and was not interrupted by a point of order, I think he will agree, until the last part of it, when he said two things. First of all, he said that the question was, what flag should be adopted; and second, he said that the three maple leaves flag was one which meant nothing. He thus engaged upon a full discussion, not of the amendment which is before this house but of the very merits of the resolution which has been presented by the government, and which seeks the authority of this house to take the means to adopt as the official flag of Canada a flag with three red maple leaves on a white field. Mr. Speaker, I say that the amendment, by removing the original resolution and limiting the discussion to the question of procedure to be adopted, has clearly put before this house one question which this house must answer—

Mr. Winkler: Political trick number one.

Mr. Favreau: —and that is, what procedure we have to adopt. If the answer is in the affirmative—that is, if the amendment is accepted by the house—then there is no resolution. But if the answer—

Mr. Lamb: Mr. Speaker, this argument which the minister is making here tonight is not to the point at all. The minister got up to ask a question and is now making a speech.

Mr. Deputy Speaker: Order, the minister did not rise to ask a question but to raise a point of order. I would suggest that the minister be allowed to make his point of order. If other hon. members want to comment upon it and offer advice for the guidance of the Chair I will be very pleased, of course, to hear their comments.

Mr. Favreau: If the amendment is negatived, Mr. Speaker, then we will have to deal with the merits—

Mr. MacInnis: Mr. Speaker, on a question of privilege—

Mr. Pickersgill: There cannot be a question of privilege on a point of order.

Mr. Deputy Speaker: Would the hon. member allow the minister to conclude his point of order first, after which he might raise his question of privilege.

Mr. MacInnis: I wish to raise the question of privilege now. My question of privilege is that in the point of order the minister is raising we do not need a political speech from him to decide whether or not the particular point of order he has raised is a proper one. I submit that the point of order does not stand, and the precedent for that statement will be found only a couple of weeks ago when the member for—

Mr. Deputy Speaker: Order. I feel that the hon. member perhaps has a point but it seems to me it is the type of point that he might make after we have heard the Minister of Justice out. The hon. member may be right. I am not saying that I disagree with what he is saying now, but I suggest that he give the Minister of Justice the opportunity to submit his point of order, after which I shall be very pleased to hear any arguments the hon. member may wish to submit in opposition to the position suggested by the minister.

Mr. Favreau: Mr. Speaker, I think that the hon. member who has just spoken has already understood my point of order quite well because he thinks he is in a position to establish that it does not stand. Therefore it must be clear enough as I have presented it so far.

Mr. MacInnis: Mr. Speaker, the minister has now directed a personal remark to me, and as you and every member of the house know any remarks made in this house should be directed to the Chair. The minister has directed a personal remark across the floor to me, and it is apparent to me that he has not quite got clear what the Minister of Transport told him to say.

Mr. Deputy Speaker: Order. The Minister of Justice.

Mr. Favreau: Mr. Speaker, I am ready to admit—

Mr. Deputy Speaker: Order. May I suggest to the minister that it might be of assistance to the Chair if he would come quickly to the point of order.

Mr. Favreau: My point is quite simple. It is that we should not on the present amendment deal with the merits of the main resolution. The speaker preceding the one who was interrupted by my point of order made it clear that he was limiting himself to discussing the matter of whether or not we should have a referendum.

One reason why I think the discussion should be limited to the amendment, as a matter of procedure, is that this question must be voted upon before we get to the merits of the main question before the house. Otherwise it will be impossible (a) to get to that point and (b) to give any other member who wishes to move an amendment, if there are any, the opportunity to do so, because we will not be able to settle the amendment and vote thereon until such time as we are at the end of the debate on the main resolution and in a position to vote on the amendment and on the resolution itself, which I think is wrong from the standpoint of the procedure of the house.

I suggest with due deference that Your Honour should rule whether or not in discussing the amendment hon. members are to be allowed to deal fully with the subject matter of the main resolution, that is, the merits of the flag question and the design of the flag or whether, subject, of course, to reasonable flexibility, they should not be basically contained within a discussion of the subject matter of the amendment itself.

Mr. Aiken: Mr. Speaker, without going into the question of what has gone before and the remarks of previous speakers who have roamed the field extensively, may I point out citation 201 on page 168 of Beauchesne, which Your Honour has no doubt already found. At the bottom of the page the following appears after a reference to the question of an amendment to the main motion:

> In that case the debate that follows is not restricted to the amendment, but includes the motives of the amendment and of the motion, both matters being under the consideration of the house as alternative propositions.

I think it is very clear that when speaking on an amendment we are also speaking on the main motion. As long as I have been here that has been very clearly understood.

[*Translation*]

Mr. Caouette: Mr. Speaker, the point of order raised by the Minister of Justice proves beyond any doubt that, in some Montreal ridings, people are not as quick as elsewhere in the province or in the country.

The suggestion of the minister to the effect that we should deal only with the amendment seems to me quite irregular, since this afternoon the leader of the New Democratic party (Mr. Douglas) as well as a representative of the Thompson group and myself have had the opportunity to discuss part (a) of the resolution, and also the Liberal representative who spoke after me.

Now, if the discussion is restricted to the amendment, this means that once the vote is taken on the amendment, everybody will start again to speak on the main motion. So, I am of the opinion that the best way to avoid as much as possible any waste of time of the house is to allow a general discussion on both the amendment and part (a) of the resolution introduced by the Prime Minister.

Mr. Favreau: Mr. Speaker, I admire the objectivity of the hon. member for Villeneuve, but I must tell him that if, this afternoon, we deliberately decided not to interrupt the leaders of the New Democratic party, the Social Credit and the Ralliement Créditiste, it is precisely because we were of the opinion that it would have been unfair not to grant the advantages the leaders of the Liberal party and the Conservative party had enjoyed yesterday, in dealing with the whole question. I feel that it would not have been appropriate to interrupt leaders of the three other opposition parties, merely because the leader of the official opposition had moved an amendment. Furthermore, I spoke about this to the house leaders of the various parties. I told them that as soon as the first speaker following the last opposition party leader would rise to speak, I would request Mr. Speaker to limit the debate to the amendment moved by the leader of the official opposition last night.

I have not raised a point of order sooner only to allow the leaders of the three other opposition parties to benefit by the same advantages that were granted the leaders of the Liberal and Conservative parties. I believe that each of the house leaders can certify the accuracy of my statement.

[*Text*]

Mr. Starr: Mr. Speaker, I wish to say a few words on the point of order. If the

Minister of Justice is sincere in what he says, that special consideration is being given to the leaders—

Mr. Deputy Speaker: Order, please. I understand the hon. member for Villeneuve is rising on a question of privilege.

[*Translation*]

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

I was unaware of the meeting which took place among the various house leaders or group leaders, to the effect that the party leaders would be entitled to discuss just about any subject on the main motion. Consequently, I wish to withdraw the charge I made a while ago against the Minister of Justice, and I concur in his statement to the effect that all members should abide by the understanding arrived at this noon between the representatives of the various parties.

[*Text*]

Mr. Deputy Speaker: Order. May I suggest to hon. members that the turn the argument is now taking is rather irrelevant and has nothing to do with the point of order originally submitted by the Minister of Justice. The hon. member for Ontario.

Mr. Starr: Mr. Speaker, I wish to speak to the point of order. If the Minister of Justice was sincere in stating that an arrangement was made or an understanding was reached that the leaders of the various groups in the house would have a wider field of discussion on this matter, not entirely pertinent to the amendment as he now suggests, why did he not rise in his place on a point of order when the hon. member for York North was speaking?

Mr. Favreau: I want to dispel any misunderstanding. I never said that there was an arrangement or an understanding. All I said was, and I think I will be confirmed by all the house leaders, that it would be advisable, the decent thing to do, to allow the other leaders the same range of discussion as the Prime Minister and the Leader of the Opposition in their speeches. One of the parties did not agree and it was for that reason I said a few minutes ago, in order to correct the leader of the Ralliement Créditiste, that if I did not object to his not being limited it was because I thought this was the proper thing to do for the leaders.

Mr. MacInnis: I rise on a question of personal privilege, Mr. Speaker. The Minister of Justice has just indicated to the house that an arrangement had been made. Of course, not all the house leaders agreed to it, and we will go along with that. He has called to our attention that special privileges were to be extended to the party leaders. Since when has he taken it upon himself to deny to every member of this house the same right? We all arrived here by the same method and we are all entitled to the same privileges. The Prime Minister said that there would be freedom of debate for every hon. member in this house, and what the Minister of Justice is suggesting now would deny that right.

Mr. Deputy Speaker: The remarks made by the hon. member confirm the suggestion I made just a moment ago that we are getting away from the point which should be decided at this moment as to whether or not a legitimate point of order was raised by the Minister of Justice. I would appreciate any further comments on that specific point.

Mr. Brewin: Mr. Speaker, it would seem to me that the point of order made by the Minister of Justice would have had considerable force if it had been made at the right time. In other words, I would think that when we have an amendment before this house it would make a lot of sense if we were to discuss the amendment. This does not appear to be the rule. I further suggest to you, Mr. Speaker, that to change the rules in the middle of the debate to extend privileges to certain members that are not available to other members would be a serious mistake.

Mr. Churchill: If your ruling, Mr. Speaker, is going to follow the argument put forward by the last person who spoke, I would be quite content. However, in case you are still in doubt, I want to support what he just said. You simply cannot change the rules part way through a debate.

Let me say that there is no misunderstanding. The government house leader has mentioned an attempted arrangement amongst the house leaders, and I think in doing so he has gone beyond what he should do. Why does he mention in the house that there was a meeting of house leaders and one did not agree? Well, all right, I did not agree. Let us be frank about the thing. I did not agree because you cannot impose this type of closure on members of this house. May I direct your attention to the rule of relevancy and the comments on relevancy on page 111 of Beauchesne's fourth edition:

> Relevancy is not easy to define. A wrong comprehension of it may have a serious effect on the freedom of speech. Members are often deprived of their right to speak on the pretext that their remarks are irrelevant when as a matter of fact they refer to matters perhaps remote but yet related, even indirectly, to the question under debate. In borderline cases the member should be given the benefit of the doubt. A great deal of latitude must be allowed in the House of Commons which is a forum where every phase of public affairs can be discussed and every member has the right to be heard, even if in doing so he sometimes disregards the rigidity of procedure.

Finally, may I say that yesterday Mr. Speaker dealt with the subject of relevancy as recorded on page 4307 of *Hansard*. You can read there where he said it was difficult to—

An hon. Member: Read it all.

Mr. Churchill: Shall I read it all?

An hon. Member: Yes.

Mr. Churchill: The Prime Minister was mixing up the two resolutions, (a) and (b) and a point was raised. Then, Mr. Speaker said this:

> The point before the house is a flag for Canada. The second resolution deals with the union jack, and I have suggested to the house that the joint resolution, if you want to call it that, be separated. We are now dealing with the first part, the flag for Canada, I admit that in dealing with this subject it is very difficult to rule out any reference to the past history of this country. You cannot just automatically forget the stirring years of the past history of our country, and therefore it seems to me that the Prime Minister, within reasonable limits and within the rule of relevancy, is entitled to make reference to things that have gone on in the past, which I presume might involve a reference to the union jack and what it stands for.

Yesterday, sir, the Speaker allowed freedom of discussion and a wide ranging debate, such as was allowed today, by those who have taken part in the debate up to this point. I believe that is where the matter should stand for the future.

Mr. Pickersgill: I should like to say a word on the very point that has been raised by hon. member for Winnipeg South Centre. Yesterday, we had a most unusual procedure adopted of having a motion made by the government divided so that the house could express itself clearly on each half of that proposition. The right hon. gentleman who leads the opposition, and who is not here tonight, took exception—

Mr. Nesbitt: Where is your leader?

Mr. Pickersgill: It is quite evident he is not here today and he said he was not going to be here. The right hon. gentleman I am sure would agree with me if he were here—

Mr. Pugh: I rise on a point of privilege.

Mr. Pickersgill: Am I not allowed freedom of speech in this house, about which we just heard?

Mr. Deputy Speaker: Order, please; I understand the Minister of Transport is now on a point of order. Perhaps he might be allowed to finish his point, then I will be glad to hear the hon. member on his point of privilege.

Mr. Pickersgill: I understand that while a point of order can be raised about a question of privilege, a question of privilege cannot be raised about a point of order. There have been many decisions to that effect.

Yesterday the right hon. gentleman opposite objected to my right hon. friend, the Prime Minister, making any reference to the question which was separated from the question which we originally started to debate. He got up immediately and sought to circumscribe the Prime Minister's speech in that way. While the Speaker did say that there might be some little latitude allowed in making casual references, the hon. member for Winnipeg South Centre read only that part which suited him. The Speaker made it quite clear the Prime Minister could not go on and debate the second part of the motion, I think it was called.

An hon. Member: Who is debating it?

Mr. Pickersgill: The Leader of the Opposition moved an amendment which struck out the whole of the motion that was then before the house and substituted an entirely different question. Surely, sir, what is sauce for the goose is sauce for the gander. If we cannot be permitted to debate these two closely interrelated propositions that were originally put on the order paper by the Prime Minister, then surely when a motion that is clearly different and distinct from the motion which was moved by the Prime Minister is before the house, on the very basis on which the hon. member for Winnipeg North Centre asked for a division, this proposition should be debated and decided. After it has been decided, if it is decided in the negative, we will have an opportunity to debate the other questions without having the two intermingled and confused. This, I understood was the purpose of the original division which His Honour made yesterday. It seems to me that if His Honour, the Speaker, be right in the decision

he made yesterday, then it is equally right these two distinct questions should be debated and decided separately.

Mr. Pugh: Mr. Speaker, I think sometimes the Minister of Transport inadvertently—maybe he is not thinking—uses words which he would otherwise probably regret. He made a statement in regard to the Leader of the Opposition (Mr. Diefenbaker) knowing full well that everyone in the house knows where the Leader of the Opposition is.

Mr. Pickersgill: Where is he?

Mr. Pugh: He used words which were intemperate and it is to these words I object, that the Leader of the Opposition is not now leading his party. I think the minister should withdraw those words.

Mr. Pickersgill: I did not say he was not leading his party. If I did, I take that back. I thought I said he wasn't in his place, and he certainly isn't in his place and I don't know where he is. If the hon. gentleman wants to tell us where he is, I am sure we would be interested.

Mr. Pigeon: Where is the Prime Minister?

Mr. Pugh: Mr. Speaker, if I could revert to the point of order just before Your Honour makes a decision, we had a wide ranging debate far from the point of order which was originally raised. In view of that I would suggest that, when you do make your decision, the 27 minutes which I believe have been taken up on this matter will be accorded to the hon. member who was stopped when he was making a perfectly legitimate speech.

[*Translation*]

Mr. Grégoire: I should like to say a few words on the point of order. It is clear that we are now engaged in a very important debate since the point is to choose a national flag.

Yesterday, when the Leader of the Opposition (Mr. Diefenbaker) who, incidentally, is not in his seat at this time, proposed his amendment, he gave a completely different course to the debate introduced by the right hon. Prime Minister (Mr. Pearson).

The Prime Minister had the opportunity to discuss the matter of the flag generally. The Leader of the Opposition, who is not in his seat now, had the same opportunity, but he changed the course of the debate by proposing an amendment on a completely different matter: the referendum.

An hon. Member: That is true.

[Mr. Pickersgill.]

Mr. Grégoire: This morning, seeing the turn things were taking, the Minister of Justice (Mr. Favreau) called us together to ask us whether we would accept that the party leaders should continue to discuss the matter of the flag generally, which was extremely polite on his part. It was proper, during this debate, that each party leader should be able to express the opinion of his party, as the Leader of the Opposition who, incidentally, is not in the house at this time, put forward the attitude of the Conservative party on that matter.

We agreed that after the party leaders had made their speeches, everything would come back to normal and other speakers would discuss the amendment and once the amendment had been rejected—because I am convinced it will be—everyone could rise again to discuss the general matter of the flag.

Mr. Speaker, it was not necessarily an agreement in the proper sense of the word but an arrangement among us. Unfortunately, the house leader of the Conservative party was not there because, as a child who has been deprived of his sugar, he has been sulky for the past three months and does not attend our meetings any more. That is why he could not enter into an agreement on behalf of his party. But in the present situation, I maintain that we must go along with the standing orders and deal with the plebiscite.

Mr. Deputy Speaker: Order.

[*Text*]

Mr. Churchill: On a question of privilege, Mr. Speaker, I am not going to be insulted by this hon. member from Lapointe. Will he withdraw the statement he made about me a minute ago, or does he lack the courage to do so?

[*Translation*]

Mr. Grégoire: Mr. Speaker, I wonder whether the hon. member for Winnipeg South Centre asks me to withdraw the words by which I was saying that he had not attended our meetings for the last two months. If he asks me to withdraw that, I call to witness all the other house leaders that he did not attend those meetings for two months, nor this morning.

If that is what he wants me to withdraw—

[*Text*]

Mr. Deputy Speaker: Order please. I might bring to the attention of hon. members that the turn of the discussion has very little

bearing on the point of order which the Minister of Justice (Mr. Favreau) attempted to make quite a long time ago, and I would suggest to hon. members that they allow the Chair to express an opinion as to the point which he raised.

The minister stated that hon. members contributing to this debate, while the amendment proposed by the Leader of the Opposition (Mr. Diefenbaker) is still under consideration, should be restricted to comments relative to the point of the amendment itself, that is, the holding of a plebiscite. As has been suggested by a few of the hon. members who spoke on this point, I am wondering if the point of order which is raised by the Minister of Justice does not come a bit late.

I fully agree that a number of speakers prior to the hon. member for Cumberland (Mr. Coates), who now has the floor, have contributed to this debate with quite a great deal of latitude, and it seems to me it would be very difficult for the Chair at this point to restrict hon. members and deny them the latitude which has been accorded to speakers who preceded them.

The hon. member for Winnipeg South Centre (Mr. Churchill) referred the Chair to citation 119 of Beauchesne's fourth edition which deals with relevancy of debate in the following terms:

> Relevancy is not easy to define. A wrong comprehension of it may have a serious effect on the freedom of speech. Members are often deprived of their right to speak on the pretext that their remarks are irrelevant when as a matter of fact they refer to matters perhaps remote but yet related, even indirectly, to the question under debate. In borderline cases the member should be given the benefit of the doubt. A great deal of latitude must be allowed in the House of Commons which is a forum where every phase of public affairs can be discussed and every member has the right to be heard, even if in doing so he sometimes disregards the rigidity of procedure.

Hon. members will recognize it is not easy for the Chair to refer to this particular citation because it does tend to weaken the position of the Chair, but I think it is very relevant in this instance, particularly in connection with the type of debate in which we are now engaged.

Hon. members have also referred the Chair to page 418 of May's sixteenth edition, which I would like to quote:

> The object of an amendment may be either to modify a question in such a way as to increase its acceptability, or to present to the house a different proposition as an alternative to the original question.
>
> The latter purpose may be effected by moving to omit all the words of the question after the first word, "That," and to substitute in their place other words of a different import. In that case the debate that follows is not restricted to the amendment, but includes the purpose both of the amendment and of the motion, both matters being under the consideration of the house as alternative propositions.

This of course has been confirmed or restated in Beauchesne's fourth edition, citation 201, which is substantially the same as what I have just read to the house, and which it may not be necessary for me to read.

In view of the citations to which I have just referred, we should not try to limit the debate to the substance of the amendment but rather we should allow hon. members to make reference in the course of this debate to both the amendment and the main resolution.

Mr. Coates: Mr. Speaker, I thank you for your decision and would like to say that not only have we a split resolution but I have a split speech. About a half an hour ago, when the Minister of Justice (Mr. Favreau) tried to delay me, I was attempting to indicate what I felt about the resolution and the amendment. I was pointing out the reasons surrounding the introduction of this resolution into the house, and the great desire on the part of the government to ask parliament all of a sudden to confirm a new flag design.

I might refer back to not very long ago, to the day when the Prime Minister came into the house and outlined the priorities in legislation which he considered were necessary for the house to consider before we could recess.

At that time the flag resolution was not even considered a priority piece of legislation. All of a sudden, for some reason best known to the Prime Minister (Mr. Pearson), parliament is confronted with this emotional debate at a time when many, if not most, of the promises made by the government during the election campaign of April, 1963 remain unfulfilled. I say: why this great haste all of a sudden? Why this argument that the government must implement a particular promise within the time limit indicated when it was in opposition, because it was a solemn commitment which must be undertaken? When was this solemn commitment given, and where, and how often during the election campaigns of 1962 and 1963? I should like to refer to an interview which the Prime Minister, when leader of the opposition, gave in my constituency at Amherst, Nova Scotia. A number of questions were asked him by a

reporter regarding the flag matter. Among the questions put to him at that time was the following:

> Do you think Quebec will oppose anything except a flag with the fleur-de-lis in it? Must they have this part in it?

The Prime Minister's reply was:

> Well, we would have our Quebec ministers in our cabinet decide what the design would be and they would make their views very clear at that time, I am sure.

In the same interview, the right hon. gentleman stated that he would not be mentioning the flag, or this new proposed flag, when he spoke in Amherst that evening. Well, I am afraid statements of this kind could be forthcoming from many areas of Canada. Indeed, my hon. friend the Leader of the Opposition (Mr. Diefenbaker) pointed out last night that the British Columbia section of the Liberal party, when putting out its program, omitted any reference to a new flag because of the known feeling about a new flag design in that province. To say that we are today discussing the flag issue because it was a commitment made to the electors in 1963 is in my opinion the height of ridiculousness—nothing could be farther from the truth.

I think the emergency committee to save the Canadian red ensign which signed an open letter to the Prime Minister sets this point out very well when it states:

> It is said that our representatives were elected to decide the flag. There was more than one plank in the Liberal platform, and many who voted for your party's flag resolution, sir, did not dream that a "distinctive flag" must exclude all symbols of our heritage. Surely, most Canadians rejected a flag change when the majority rejected the party that proposed it. The reference in the platform to a "distinctive" flag was misleading. A flag "distinctive" from what? The adjective is irrelevant to the debate. It is the right slogan for the wrong battle—a battle won years ago when Canadians rightly demanded a flag distinct from the great union flag of Britain. The resulting "distinctive" flag was, of course, the Canadian red ensign, which was so described in the order in council of 1945. The ensign, bearing the shield of Canada, cannot be confused with any other flag on earth. We are disturbed by the cranked-up campaign to exchange this distinctive flag, rich in meaning, for one created out of whole cloth which many millions of us think distinctly undistinguished.
>
> Surely a government sincerely concerned for national unity would honour and perpetuate the graphic symbols of both French and British founding peoples. The present government, apparently unable to reconcile the legitimate claims of each, is ducking the problem by erasing the memory of both. Three quarters of the United States flag is devoted to reminding Americans that they began as 13 British colonies. Unlike Dahomey, Gabon, Mali, and the Malagasy republic, Canada was not born yesterday. We neither need nor want a brand new flag. Should you doubt this, sir, we urge you to put it to the test. Only a plebiscite will relieve the building bitterness of a victimized majority.
>
> Canadians know that a parliament, precariously balanced, should not decide this issue. They know that members are not being asked to vote for a flag, but against an election. They know that a plebiscite will clear the air and unite all who honour the democratic process. They know that this issue, unlike most others, requires no arcane knowledge and no deep study. It is an issue on which every Canadian has an opinion, and should have a vote.

What do Canadians have to say? I should like to quote from some editorials in various newspapers across this country which feel that a plebiscite is the only fair way in which to handle this question at the present time. Before I do so, I should like to say this: It can never be said that the Prime Minister did not have every possible opportunity to keep this matter out of politics, to keep it from becoming a partisan political debate. He was given the opportunity. Indeed, he appeared to have taken the opportunity, and then, for some reason best known to himself, he backed down. He half committed himself to a plebiscite in this house by giving each and every member the right to vote in favour of the red ensign, or of this new maple leaf design which he considers to be a distinctive flag. The Prime Minister need only have selected one of his members, allowed him to introduce the resolution, and said to the country: There will be no vote of confidence on this matter; it is a matter which each member of parliament can decide freely and on the basis of his knowledge, both personal and with regard to his constituency. If this had been done there would be no one in this country today asking for a national plebiscite. The people would feel that their representatives would be responsible enough to make the fairest possible decision.

But what has happened? The whip has been cracked; the people of this country have been told it is a flag which the Prime Minister has indicated is his personal choice—and let there be no mistake about that. Mr. Val Sears in a column in the Toronto *Star* on May 20 last, pointed this out clearly and concisely when he said:

> As drinks were served and the newspapermen nibbled on sandwiches, Mr. Pearson brought out several flag designs on cardboard, selected one with a cluster of three maple leaves and two blue bands and placed it on the mantelpiece as his choice.
>
> He said he was prepared to have the government stand or fall on the maple leaf flag.

The Prime Minister was careful, however, to make clear that the flag on the mantel was his personal choice.

Well, Mr. Speaker, it is going to be everybody's personal choice, apparently, unless Canadians are given some opportunity to indicate what their personal choice might be; because we are told that we either vote for it or the public will not only have a plebiscite as to the maple leaf design but they will have a plebiscite as to the government of this country. And even at this late date, if the Prime Minister had any wisdom left I would say he would not want to let the Canadian people make that decision at this time.

Some hon. Members: Hear, hear.

Mr. Coates: What do the newspapers of this country say? Apparently the Prime Minister is becoming more selective as to newspapers and newspapermen than he was when he was leader of the opposition, because I understood only eight reporters were invited to this little get-together. These were eight very carefully selected gentlemen. I know most of them, and they are very nice gentlemen; but I understand there are 120 such gentlemen in the press gallery and I would think they would be somewhat offended at not having been invited.

An hon. Member: And a young lady.

Mr. Coates: Yes; not only one young lady, but a very attractive young lady. If the Prime Minister had been wise he would have invited her. Certainly had I been the prime minister I would have seen that the young lady was there too. However, seeing that the Prime Minister is selective in the reporters he chooses, he might also be as selective in the newspapers he now reads. With this thought in mind, Mr. Speaker, I would like to put the views of a few of the newspaper editors in this country on the record so the Prime Minister may take a look at what they suggest and how they view this autocratic attitude he has with regard to his personal pennant. The daily *Gleaner* of May 27, 1964, had this to say:

The only logical way the Pearson government could get out of the flag impasse in which it now finds itself would be to submit the red ensign and the maple leaf designs to a national referendum, with the winner automatically becoming Canada's flag.

We go to the other end of the country, where the Vancouver *Province* says this about Mr. Pearson. The heading to the article is "Mr. Pearson flirts with political suicide". The concluding part of the article is as follows:

Mr. Pearson's Liberal predecessors, Mackenzie King and Louis St. Laurent, understood the political danger of trying to invent a new Canadian flag. They knew that such a move would do more harm than good to national unity and they steered well away from the flag controversy.

Now Mr. Pearson has headed directly into the hurricane zone.

The winner of the Nobel peace prize has become a contender for another distinction—that of kindling the worst racial conflict in our country's history.

There is not much talk about national unity in that editorial, Mr. Speaker. And for my good friend from Bonavista-Twillingate I will quote from the daily *News* of St. John's, Newfoundland, which had this to say:

In fact, it might be imagined that it would be better in the first instance to sound popular opinion by means of a referendum. And only if it should be shown by this means that there is an overwhelming demand for a new emblem, should any change be considered.

Take note, Mr. Minister of Transport (Mr. Pickersgill).

An hon. Member: He isn't here.

Mr. Coates: The Charlottetown *Guardian* had this to say:

There are a lot of people in Canada who may want to retain the old flag but do not want yet another national election at this time. This issue would present them with a painful choice. It could be averted by a national referendum, thus leaving the country at large to make a free choice in the matter. But Mr. Pearson will have none of that.

I now come to the Toronto *Telegram*. I might mention that while this paper has been a strong supporter of the Conservative party, I remember that not very long ago it was a strong supporter of the Liberal party. It had this to say in an editorial entitled "Statesmanship":

It is highly probable that the Progressive Conservative opposition will move an amendment to Mr. Pearson's flag legislation asking for such a plebiscite. Mr. Andrew Brewin, the N.D.P. member from Toronto-Greenwood, has expressed the belief that most of his colleagues would vote for it. Mr. Arnold Peters, N.D.P. member from Timiskaming, and New Democrat Barry Mather of B.C. have reinforced this assumption.

I wonder if they have talked to their leader on this matter and convinced him that he also should be supporting this amendment. Another issue of the Toronto *Telegram* had this to say:

In the *Telegram's* view the Prime Minister has been recklessly unwise in rejecting the proposal for

a plebiscite on the issue. Only by such a device can the people of the nation freely and clearly express their choice.

The Victoria daily *Colonist* had this to say:

Parliament has yet to express itself on the flag resolution but even among the doubts expressed by M.P.'s of all groups about the new design, and preference by many for a national plebiscite, the trend indicates that the government's measure will pass...

Unless at the last minute M.P.'s vote on the new flag as conscience and personal choice dictate it will never be known whether their decision is based on conviction or political expediency. And this will acerbate the division of public opinion that exists on the subject of a national flag.

Then the Quebec *Chronicle* had this to say:

First things first is a good rule even for prime ministers. The flag issue now before parliament is unlikely to be over in a few days; it is bound to generate a great deal of bitterness in the country, even though the intentions of the government are above reproach.

For one thing, the country must know why Mr. Pearson had to move in such a hurry. Is he trying to do with the flag what Judy LaMarsh coudn't do with her pension plan? Or does he consider a national flag such a trivial piece of business that it wasn't really worth while consulting anybody on its design?

Mr. Speaker, those are some of the questions that some of the newspapers in this country are asking the Prime Minister about a national referendum.

May I call it ten o'clock.

BUSINESS OF THE HOUSE

Mr. Churchill: Mr. Speaker, I would like to ask the acting house leader about the business for tomorrow and Thursday and Friday, if he has the information.

Mr. MacNaught: Mr. Speaker, tomorrow we will go on with this debate. On Thursday we will consider the constitutional amendment. If it should be finished on Thursday, we will then continue with this debate.

PROCEEDINGS ON ADJOURNMENT MOTION

(Subject matter of questions debated under adjournment motion).

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

NATIONAL DEFENCE—HALIFAX—DISMISSAL OF CIVILIAN COOK

Mr. Gerald A. Regan (Halifax): Mr. Speaker, on June 10 I asked a question of the Associate Minister of National Defence in the following terms:

[Mr. Coates.]

Is the minister aware that a civilian cook named Lorne Edward Pace, with 12 years of good service in the R.C.N. and two years as a civilian cook with the R.C.A.F. in Halifax, has been discharged for taking home a 50 cent cake? Would the minister investigate the matter—

Mr. Speaker at that time ruled that the matter should be on the order paper, and I indicated according to the procedure relevant that I should like to discuss it in this period after ten o'clock.

Despite the fact that the question was ruled as one for the order paper, the associate minister of defence promptly conducted an investigation into the matter, and as a consequence of his investigation I received the following letter from him dated June 11:

Dear Mr. Regan:

I wish to inform you that I have had the dismissal of Mr. Lorne Edward Pace, cook at the combined mess, R.C.A.F. Gorsebrook, Halifax, investigated.

I am satisfied that the action taken was unduly harsh, and I have directed that Mr. Pace be reinstated forthwith.

From the time of his release to the date of his reinstatement, he will be considered as under suspension without pay.

Yours very truly,
Lucien Cardin

I should like to use these few moments to thank the associate minister of defence for his prompt action in this matter. Too often in years gone by it has been the way of ministers of the crown to tend to defend actions of their subordinates which have been too extreme. I think it is very much to the credit of our present associate minister of defence that he took this prompt action to rectify this injustice.

I want to say, Mr. Speaker, that this case has ended happily. It was one in which a man was discharged by his superiors for taking home a cake which was more than a day old. Early information indicated that this cake would have ended up in the garbage; I now understand this is not the case but that it would have been used for pudding. Someone said to me a few moments ago that the proof of the pudding is in the eating. I think that while this case has ended very well we must wonder how many Lorne Edward Paces there are whose cases do not come to the attention of parliament or to ministers of the crown.

In this instance radio station CHNS in Halifax and Edmund Morris, a former member of this house, brought the matter to public attention. After that I contacted the minister during the question period, and I

understand the hon. member for Queens-Lunenburg (Mr. Crouse) had also contacted him in this regard. Certainly he should have some share in the credit for bringing the matter to the attention of the authorities. However, the case spells out, I think, the need for haste in providing an independent arbitration board to deal not only with discharge grievances but grievances of civil servants and government employees, including the hourly paid classifications. I have in mind grievances arising not only from discharge but from working conditions, classification and other matters.

As we all know, at the present time there is a committee investigating a system of collective bargaining for civil servants and other government employees, and presumably this system of collective bargaining, as is the custom in industry today, would include a system of totally independent arbitration. I think this is needed and I would urge haste in the work of this committee, because the matter has been under study for some time now. I think that if our government employees are not to be second class citizens where cases of this type go unnoticed, it is very important that as quickly as possible there be established by the authority of parliament a system of independent tribunals through which the grievances of all types of government employees and groups of government employees can be handled, so as to bring about fair and final disposal.

Motion agreed to and the house adjourned at 10.06 p.m.

HOUSE OF COMMONS

Wednesday, June 17, 1964

The house met at 2.30 p.m.

HOUSE OF COMMONS

PRESENCE IN GALLERY OF MINISTER AND AMBASSADOR OF THAILAND

Mr. Speaker: May I call the attention of hon. members to the fact that we have in the Speaker's gallery a distinguished visitor in the person of the associate minister of national development of Thailand, Hon. Mr. Buchana, who is accompanied by the ambassador of Thailand.

Some hon. Members: Hear, hear.

PRIVILEGE

MR. KNOWLES—HEADLINE IN TORONTO "TELEGRAM" RESPECTING MR. SPEAKER

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, I rise on a question of privilege. Frequently when one wishes to raise a question of privilege he advises Your Honour in advance. Today I have not done so. Indeed, I have not indicated to anyone my intention to raise this point of privilege about which I feel very strongly.

Mr. Speaker, one of the principal attributes of the chair which Your Honour occupies is its impartiality, and in this respect this parliament is doubly honoured in the person who now occupies the chair.

Some hon. Members: Hear, hear.

Mr. Knowles: You, sir, are human like the rest of us. You have made mistakes and you may make other mistakes, but your impartiality is beyond question. Therefore, Mr. Speaker, I was shocked yesterday when I read in the home edition of the Toronto *Telegram* this heading over an article on the front page: "Mr. Speaker saves the Liberal party."

Mr. Cooper: It was you saved them.

Some hon. Members: Oh, oh.

Mr. Knowles: I am not concerned about these interjections. The facts as to what happened on Monday will take care of themselves, but I am concerned and I hope all hon. members of the house are concerned about our respect for the Chair.

Some hon. Members: Hear, hear.

Mr. Knowles: If the implication in that heading were correct you, sir, should not be in the chair, but it is my submission that it is totally incorrect. As a matter of fact may I say, and this so often happens, that the heading is not borne out by the article itself, which was written by a staff person of the Toronto *Telegram* here in Ottawa. Let me indicate that fact by reading the first sentence:

> Speaker Alan Macnaughton last night ruled against the government and the official opposition and, as they say in the west, lived to tell the tale.

In other words, Mr. Speaker, the writers for the *Telegram* here in Ottawa have no marks against them, but a headline writer in Toronto has committed an error which I feel this parliament, this House of Commons, cannot ignore. Let me state my view, which I think is widely shared. Your Honour did a great deal of work—and this was very obvious—before you rendered the decision you made on Monday; and in my view, far from what is implied in this headline being the case, you saved parliament from being put in an impossible position and you saved the nation from being confronted with an equivocal and unclear decision.

I hope, Mr. Speaker, that even as writers such as Mr. John Bird of the Toronto *Star* who said you did a good job for the nation on Monday, and such as Mr. James McCook who in the Ottawa *Journal* said it was Mr. Speaker's day on the hill, the Toronto *Telegram* will join with all of us in paying tribute to the courage and impartiality of the person who now occupies the Chair of the House of Commons.

DEFENCE

Third report of special committee on defence—Mr. Hahn.

GRAIN

WHEAT, OATS AND BARLEY—ANNOUNCEMENT OF INITIAL PAYMENTS

Hon. Mitchell Sharp (Minister of Trade and Commerce): I wish to inform the house

that initial payments for the basic grades of western wheat, oats and barley delivered during the 1964-65 crop year will be at the same level as the present crop year.

The initial payments effective August 1, 1964 are: for wheat: $1.50 per bushel, basis No. 1 northern in store Fort William/Port Arthur or Vancouver; for oats: 60 cents per bushel, basis No. 2 Canada western in store Fort William/Port Arthur; for barley: 96 cents per bushel, basis No. 3 Canada western six row, in store Fort William/Port Arthur.

For all other grades of wheat, oats and barley the initial payments for the 1964-65 crop year will be established at a later date by the Canadian wheat board.

[*Later:*]

On the orders of the day:

Mr. C. O. Cooper (Rosetown-Biggar): I should like to direct a question to the Minister of Trade and Commerce regarding the price of wheat. When is he going to announce the $2 wheat that was promised during the 1963 campaign?

Hon. Mitchell Sharp (Minister of Trade and Commerce): Mr. Speaker, I have made all the announcements for 1964-65 that have been authorized by this government to date.

Mr. E. Nasserden (Rosthern): May I ask a supplementary question of the Minister of Trade and Commerce. Has he forgotten so soon the pledges made during the last election campaign to increase—

Mr. Speaker: Order. This question is out of order.

FINANCE

INTERNATIONAL MONETARY FUND—REPORT ON MEETING OF GROUP OF TEN

Hon. Walter L. Gordon (Minister of Finance): I returned last night from a meeting in Paris of the ten countries participating in the general agreements to borrow of the international monetary fund and would like to report to the house on what transpired.

Hon. members will recall that last year on the occasion of the annual meeting of the international monetary fund the ministers and governors of the group of ten announced their intention of studying the functioning of the international monetary system and of the probable future needs for liquidity, and instructed their officials to examine these questions and report to them. Progress has been made in this work, and the ministers at their meetings on June 15 and 16 examined the studies and analysis which had been prepared. Following this discussion we gave further instructions to the officials for drafting a joint statement which will be made public during the summer at the same time as the international monetary fund issues its annual report, which I expect will also be discussing this matter of international liquidity.

It is still too early to predict what the conclusions of all this inquiry will be, but I would like to assure the house that Canada has given steady support to proposals which will strengthen the system of international payments and ensure the growth of liquidity that will be needed in the future. These objectives are clearly in the interests of Canada, with our considerable dependence on international trade and payments.

Hon. George C. Nowlan (Digby-Annapolis-Kings): I am sure the house will have listened with interest to the minister's statement. I am sure, too, that we all agree with the policy he has outlined, which is a continuation of the government's policy to strengthen these organizations.

When one reads the papers from time to time and sees the way in which some countries are increasing their rates, and the possibility of further difficulties in the future, I think it is a very good thing indeed that we have such an organization as the international monetary fund.

[*Translation*]

Mr. Gilles Grégoire (Lapointe): Mr. Speaker, we favour a little less the discussion of the group of ten who meet in Paris from time to time to consider the monetary system, because we know that their objective—besides, it was mentioned in a release—is to achieve an international monetary system for the most industrialized countries.

We believe that the day Canada will participate in a single and integrated international monetary system we will lose a part of our sovereignty and become the prey of foreign financial interests, even more than we are at the present time.

That is why we recommend to the Minister of Finance (Mr. Gordon) that he use discretion in his discussions with the ministers' of finance of those ten countries, because we intend to see to it that Canada's sovereignty in the monetary field shall be preserved since it is the basis of any political sovereignty.

[*Text*]

QUESTIONS

(Questions answered orally are indicated by an asterisk.)

NATIONAL MUSEUM

Question No. 1,042—**Mr. Dinsdale:**

1. What are the plans for the reorganization, development and expansion of Canada's national museum?
2. Will the new museum be ready for 1967?
3. When will legislation be introduced into the house designed to overcome the administrative difficulties under which the existing museum has laboured; and as presaged by the resolution introduced into the house on January 24, 1963?

Mr. Lamontagne: 1. (a) Natural history

The staff of this branch has shown orderly development in the past few years. Future planned expansion will take care of those subjects which fall naturally under the responsibility of the federal national museum. Future plans for the zoology division include the addition of scientific and supporting staff in invertebrate zoology and quaternary zoology. The national herbarium will be expanded to include specialists in lichens and algae. The mineralogy and palaeontology functions will be strengthened by the formation of a geology division and the addition of staff in palaeobotany and invertebrate palaeontology.

(b) Human history

(i) Archaeology: The archaeology division is being brought back to its previous strength, with one specialist in physical anthropology and one in sub-arctic archaeology; at the same time a staff increase is intended to provide three specialists, one in each of the following: Atlantic provinces, Quebec and British Columbia.

(ii) Ethnology: A new chief has been appointed, Mr. A. D. DeBlois, M.A. It is intended to fill his former position with a new ethnologist; and to make a staff increase providing specialists to cover the fields of boreal forest ethnology and Canadian ethno-history; and three juniors, one in each of these fields; also a cataloguer and a preparator.

(iii) History: A chief historian has been appointed, namely Mr. F. J. Thorpe, who is a bilingual scholar and who has done graduate study at the University of Ottawa, and in Paris with specialization in French Canadian history.

(c) Science and technology

The appointment of a director of the intended museum of science is under consideration as a matter calling for early action. His duties would be to carry on the formation now of the collection of scientific and engineering material which will be needed for the display halls of the science museum when it is built, and which has to be made in advance, as opportunities to secure objects present themselves.

(d) The national museum's program of research is being carried forward, with an ever growing series of publications adding to scientific knowledge and public awareness of the museum's role in that field.

(e) Common services

Increases in the staff of the library, photography, education and museology divisions are required in order to handle the increased public services requested and in order to prepare exhibits of national importance for the new museum building in 1967.

2. The Department of Public Works has undertaken to have the new museum ready to hand over to the museum staff by 1 January, 1967.

Planning of exhibits for the new museum is proceeding; but no guarantee can be given that the whole of the two acre-odd exhibition space can be properly filled with exhibits worthy of the national museum of Canada in so short a period as six months.

3. The government is presently considering proposed legislation and hopes to be able to make an announcement about it later during the present session of parliament.

PROSECUTIONS FOR COMBINES OFFENCES

Question No. 1,096—**Mr. Winch:**

1. From January 1, 1959, have any persons or corporations been fined for infractions of sections 411 or 412 of the Criminal Code (which were repealed on the 10th of August 1960) or for infractions of part V of the Combines Investigation Act offences in relation to trade (enacted by chapter 45 of the statutes of 1960) and, if so (a) what are their names (b) what was the amount of the fine in each case (c) when was the fine imposed (d) what infraction occasioned the fine?
2. Have any persons or corporations been fined more than once for such infractions since January 1, 1950, and, if so (a) what are the names of the persons or corporations so fined (b) what was the amount of the fine in each case (c) what additional infraction occasioned the fine (d) was the fine increased because of the previous conviction and, if so, in what amount?

Mr. Macdonald: 1. Yes.

(a)	(b)	(c)	(d)[1][2]
	$		
Armco Drainage & Metal Products of Canada Limited	20,000	Nov. 13, 1959	C.C., s. 411
The Pedlar People Limited	15,000	"	"
Westeel Products Limited	15,000	"	"
Rosco Metal & Roofing Products Limited	12,000	"	"
Canada Culvert Company Limited	3,000	"	"
Canadian International Paper Co.	25,000	June 15, 1960	C.C., s. 498
Howard Smith Paper Mills Ltd.	25,000	"	"
St. Lawrence Corp. Ltd.	20,000	"	"
The E. B. Eddy Co.	20,000	"	"
Anglo-Canadian Pulp & Paper Mills Ltd.	20,000	"	"
Consolidated Paper Corporation Ltd.	20,000	"	"
Abitibi Power & Paper Company Ltd.	15,000	"	"
Gaspesia Sulphite Co. Ltd.	15,000	"	"
St-Anne Power Co.	10,000	"	"
The Ontario Paper Co. Ltd.	10,000	"	"
Donnacona Paper Ltd.	10,000	"	"
The KVP Co. Ltd.	10,000	"	"
Richmond Pulp & Paper Co. of Canada Ltd.	8,000	"	"
The James MacLaren Co. Ltd.	8,000	"	"
Armstrong Forest Co.	8,000	"	"
Gair Co. of Canada Ltd.	8,000	"	"
Spruce Falls Power & Paper Co. Ltd.	8,000	"	"
Electrical Contractors Association of Ontario	7,500	June 17, 1960	C.C., s. 411
Clarence William Dent	7,500	Nov. 28, 1961	"
McMaster Fuels Limited	8,000	Oct. 23, 1961	"
Lyons Fuel Hardware and Supplies Limited	4,000	"	"
Soo Falls Brewing Company Limited	3,500	"	"
Eddie Black's Limited	1,800	Jan. 23, 1962	C.I.A., s. 33C
Ultra Opti-Kon Limited	350	Sept. 11, 1962	"
Frederick's Department Store Limited	100	Sept. 20, 1962	"
Mitchell's Photo Supply Ltd.	50	Oct. 16, 1962	"
Ace Liquidators Limited	300	Nov. 7, 1962	"
Kralinator Filters Limited	1,500	Nov. 21, 1962	C.I.A., s. 34
Atlantic Sugar Refineries Limited (now Acadia-Atlantic Sugar Company Limited)	25,000	Mar. 18, 1963	C.C., s. 498
Canada and Dominion Sugar Company Limited	25,000	"	"
St. Lawrence Sugar Refineries Limited	25,000	"	"
Tibor Feurstein	75	Mar. 21, 1963	C.I.A., s. 33C
Imperial Industries Ltd.	500	July 4, 1963	C.I.A., s. 33C
The Belt Manufacturers Association of Montreal	300	Sept. 16, 1963	C.C., s. 411

[1] In column (d), "C.C." means the Criminal Code and "C.I.A." the Combines Investigation Act.
[2] Section 498 of the Criminal Code became section 411 of the Criminal Code on April 1, 1955.

Questions

2. Yes.

(a)	(b)	(c)[2]	(d)
	$		
Dominion Rubber Company Limited[1]	10,000	C.C., s. 498 (mechanical rubber goods)	
	10,000	C.C., s. 498 (rubber tires and tubes)	[3]
	10,000	C.C., s. 498 (rubber footwear)	[3]
The B. F. Goodrich Rubber Company of Canada, Limited[1]	10,000	C.C., s. 498 (mechanical rubber goods)	
	10,000	C.C., s. 498 (rubber tires and tubes)	[3]
	10,000	C.C., s. 498 (rubber footwear)	[3]
Gutta Percha & Rubber Limited[1]	10,000	C.C., s. 498 (mechanical rubber goods)	
	10,000	C.C., s. 498 (rubber tires and tubes)	[3]
	10,000	C.C., s. 498 (rubber footwear)	[3]
Dunlop Tire and Rubber Goods Company Limited[1]	10,000	C.C., s. 498 (mechanical rubber goods)	
	10,000	C.C., s. 498 (rubber tires and tubes)	[3]
The Goodyear Tire & Rubber Company of Canada, Limited[1]	10,000	C.C., s. 498 (mechanical rubber goods)	
	10,000	C.C., s. 498 (rubber tires and tubes)	[3]
The Rubber Association of Canada[1]	10,000	C.C., s. 498 (rubber tires and tubes)	
	10,000	C.C., s. 498 (rubber footwear)	[3]
The E. B. Eddy Company	10,000	C.C., s. 498 (fine papers)	
	6,000	C C , s. 498 (boxboard grades of paperboard)	
	20,000	C.C., s. 498 (pulpwood)	[4]
Howard Smith Paper Mills, Limited	10,000	C C , s 498 (fine papers)	
	3,000	C C , s 498 (boxboard grades of paperboard)	
	25,000	C C , s 498 (pulpwood)	[4]
Anglo-Canadian Pulp and Paper Mills Limited	3,000[5]	C C , s 498 (boxboard grades of paperboard)	
	20,000	C C , s 498 (pulpwood)	[4]
Consolidated Paper Corporation Limited	6,000[6]	C C , s 498 (boxboard grades of paperboard)	
	20,000	C C , s 498 (pulpwood)	[4]
Gair Company of Canada Limited	3,000	C C , s 498 (bowboard grades of paperboard)	
	8,000	C C , s 498 (pulpwood)	[4]
St. Lawrence Corporation Limited	3,000	C C , s 498 (boxboard grades of paperboard)	
	20,000	C C , s 498 (pulpwood)	[4]

[1] Three separate prosecutions were instituted at or about the same time and arose out of the report of the commissioner, Combines Investigation Act, of an investigation into alleged combines in the manufacture, distribution and sale of six categories of rubber products.

[2] In column (c) "C C " means the Criminal Code. Section 498 of the Criminal Code became section 411 of the Criminal Code on April 1, 1955. In each case the principal product or general description of the products involved in each charge is shown in brackets.

[3] The then maximum fine was imposed.

[4] In imposing sentence the court did not indicate whether the fine was increased because of the previous conviction or convictions.

[5] Fine imposed jointly on company and its subsidiary Northeastern Paper Products Limited.

[6] Fine imposed jointly on company and its subsidiary Consolidated Paper Sales, Limited.

Questions

TRANSPORT DEPARTMENT BUILDING PROJECTS, COMPTON-FRONTENAC CONSTITUENCY

Question No. 1,138—**Mr. Latulippe:**

1. Has the Department of Transport undertaken any building projects in the constituency of Compton-Frontenac for 1963-64, and, if so, who were the tenderers and what was the amount of each tender?
2. To whom were the contracts let?
3. How many contracts did the Department of Transport let without calling for tenders and what was the amount and the type of work involved in each case?

[*Translation*]

Answer: 1. No.

2. Not applicable.

3. None.

[*Text*]

U.S. TRANSPORT COMPANIES IN CANADA

Question No. 1,157—**Mr. Latulippe:**

1. How many United States air transport companies are licensed to operate in Canada and what is the name of each such company?
2. What was the total annual turnover for such companies during 1962?
3. What is the total number of Canadians employed by such United States companies?
4. What was the total amount of taxes, customs duties and other fees paid by such companies in Canada during the past year?

[*Translation*]

Answer: The air transport board advises as follows:

1. There are 195 American air transport companies licenced to operate in Canada. They are listed in the Directory of Canadian Commercial Air Services which can be obtained from the queen's printer, in Ottawa, and which can be consulted in any public library or at the library of parliament.

2 and 3. The air transport board does not know.

4. Existing statistics do not give the total amount of excise tax and customs duties paid. The customs and excise division does not levy any fees.

[*Text*]

AIR TRANSPORT COMPANIES OPERATING IN CANADA

Question No. 1,158—**Mr. Latulippe:**

1. How many licensed air transport companies are operating in Canada and what is the name of each such company?
2. What is the total annual turnover of these companies?
3. How many persons are employed in Canadian civil aviation?
4. What branch of the Department of Transport deals directly with the problems of Canadian civil aviation?

[Mr. Macdonald.]

[*Translation*]

Answer: In so far as parts 1, 2 and 3 are concerned, the air transport board advises as follows:

1. 438 Canadian air transport operators are licensed to operate commercial air services within Canada. Each is listed in the Directory of Canadian Commercial Air Services obtainable from the queen's printer, Ottawa, and available for reference in all public libraries and in the parliamentary library.

2. In 1962 the last year for which complete figures are available, the operating revenues were $292,674,904.

3. It is estimated that 18,512 persons are employed by Canadian commercial air transport operators.

4. The civil aviation branch is mainly responsible for dealing with the problems of civil aviation in Canada including the control and setting of safety standards. The telecommunications and electronics branch and the meteorological branch are, however, deeply involved in the solution of civil aviation problems related to the provision of telecommunication and weather services.

[*Text*]

*TELEVISION FILM RESPECTING PRIME MINISTER

Question No. 1,207—**Mr. Fairweather:**

1. Which members of the privy council saw any part of the film prepared by Richard Ballentine of Intervideo productions about Right Hon. Lester B. Pearson?
2. On how many occasions did the Prime Minister see parts of the film?
3. Why did the C.B.C. not broadcast this film on its television network?
4. Will members of parliament have an opportunity of seeing the film which cost the Canadian Broadcasting Corporation $35,000?

Mr. Stewart: 1. The Right Hon. L. B. Pearson, Hon. Paul Martin, Hon. Walter L. Gordon, Hon. Mitchell Sharp, Hon. A. J. MacEachen and Hon. C. M. Drury.

2. Two.

3. It is the corporation's opinion that the film does not meet C.B.C. standards.

4. The C.B.C. does not plan any private showings of this film.

REDUCTIONS IN ARMED SERVICES

Question No. 1,211—**Mr. Winkler:**

1. What reductions have been made since April 21, 1963, to date in (a) civilian (b) military personnel, in the Department of National Defence for each of the three services?
2. How many officers, in each rank, in each of the services, were struck off strength in the same period?
3. What is the total personnel reduction proposed for each of the three services during the next 12 months?

Answer: 1. From April 30, 1963 to April 30, 1964:

	R.C.N.	Army	R.C.A.F.
(a)	724	848	671
(b)	826	1105	1781

2. Rear admiral, 2; Capt., 2; Cdr., 19; Lt. Cdr., 38; Lt., 36; S/Lt., 21; A/S/Lt., 8; Comm. officer, 2; Chaplain class 4, 1; Chaplain class 2, 3; Officer cadet, 172, Brigadier, 4; Colonel, 10; Lt. Col., 28; Major, 104; Capt., 158; Lt., 103; 2nd/Lt., 15; Officer cadet, 284; Air marshal, 1; Air vice-marshal, 6; Air commodore, 5; G/C, 13; W/C, 52; S/L, 98; F/L, 234; F/O, 374; P/O, 1; Officer cadet, 364.

3. It is not possible at this time, to anticipate the total number of personnel reductions during the next 12 months.

*ADMISSION TO U.S. OF CANADIAN-BORN CHINESE

Question No. 1,222—**Mr. Fairweather:**

Must a Canadian of Chinese descent enter the United States through the so-called oriental quota and, if so, (a) under what authority can Canadian citizens be subjected to grading in this way (b) what steps have been taken by Canada to insure that the United States of America will not differentiate between passports of Canadians born in Canada?

Mr. Haidasz: The United States immigration and nationality act contains special quota provisions for persons whose ancestry lies in what the act calls the Asia-Pacific triangle. This includes persons of Chinese ancestry regardless of place of birth, citizenship, or passport.

The Prime Minister made a full statement on this subject in this house on October 18, 1963, at page 3738 of *Hansard* and a copy of his statement was sent to the U.S. state department. He said, in part:

I should like to make it very clear that as for Canadian law and policy, the present government, like its predecessor, is firmly opposed in principle and in practice to racial discrimination.

With respect to the United States law relating to immigrant visas, and this is the matter immediately under discussion, it has since 1924, with some exceptions, been based on a national origins system. There are quotas, however, based on country of birth for most countries of the world. A separate—and this is the exception—and very small quota, based on ancestry and not place of birth, was provided for persons whose ancestry lies in what that law calls the Asia-Pacific triangle. If persons born in Canada and Latin America fall within the rules relating to ancestry in the Asia-Pacific triangle, they come under this particular quota.

—While it may not be appropriate, Mr. Speaker, for the Canadian government to make official and formal representations to the United States government against the racial origins features of United States domestic immigration law, this does not mean that the Canadian government favours the inclusion of racial origin provisions in the immigration laws of the United States or any other country. These provisions, however, are not directed against Canada. A prospective immigrant of Chinese ancestry would find himself up against the Asia-Pacific quota provisions regardless of what country he was born in.

An additional reason, Mr. Speaker, for not making formal representations to the United States government is the fact that on July 23 of this year President Kennedy sent a message to congress proposing important changes in the quota system. He described the national origins system as 'an anachronism, for it discriminates among applicants for admission into the United States on the basis of accident of birth'. He specifically proposed the repeal of the Asia-Pacific ancestry formula—The president's proposals are now being considered in congress.

*WINTER HOUSE CONSTRUCTION BONUS

Question No. 1,224—**Mr. Rynard:**

1. During what period in the winter of 1963-1964 was the $500 incentive bonus payable for winter-built houses?

2. During the same period in the winter of 1962-1963, how many housing starts were made in Canada?

Mr. Byrne: 1. Payments under the winter house building incentive program were available for dwellings in structures of not more than four units on which most of the construction work was carried out between December 1, 1963, and March 31, 1964. The final inspection date was subsequently extended to April 15, 1964. Dwellings started prior to December 1, 1963, were eligible for the incentive payments provided that construction work had not proceeded beyond the first floor joist stage, or its equivalent, at that date.

2. Monthly data on dwelling starts are available only for urban centres of 5,000 population and over. These data indicate that during the period December 1, 1962 to March 31, 1963, there were 9,326 single detached dwelling starts and 1,456 semi-detached and duplex starts. The number of triplex dwelling starts and fourplex dwelling starts is not available since these figures are included in statistics relating to apartment buildings of all sizes.

MIGRATORY BIRDS PROTECTION—DISCUSSION AT CONFERENCE

Question No. 1,233—**Mr. Flemming (Victoria-Carleton):**

1. Does the Department of Northern Affairs and National Resources possess any information which leads it to believe that the possibility of securing an amendment to remove the protective features of the migratory bird regulations will be discussed at the federal-provincial wildlife conference scheduled for Charlottetown June 18-19, next?

Questions

2. Does the department favour any relaxation of the protective features of the present regulations?

3. Will the department send a representative to the conference to state their intention of continuing to protect the migratory birds, by regulation?

4. Is the department aware of the news release from Ottawa dated May 30 which suggested the possibility of securing a federal licence to hunt migratory birds would be discussed at the conference?

Mr. Laing: 1. The Department of Northern Affairs and National Resources has no information suggesting that at the forthcoming federal-provincial wildlife conference an attempt will be made to secure an amendment to the migratory bird regulations so as to remove their protective features.

2. Since all pertinent information on current numbers of migratory game birds is not yet available, it is not possible to decide at present whether the regulations will be changed for the 1964 hunting season.

3. The department sponsors the conference and will be represented by the minister and the chief of the Canadian wildlife service who will continue to discharge their responsibilities under the Migratory Birds Convention Act and regulations.

4. Yes.

CONTRACT FOR AIRPORT IMPROVEMENTS, TRENTON, N.S.

Question No. 1,240—**Mr. MacEwan:**

1. What were the names of the tenderers and the amounts of the tenders for the strengthening of the aircraft parking apron and taxiway at the Trenton airport, Trenton, Nova Scotia?

2. To whom will the contract be awarded?

Mr. Pickersgill: 1. Three bids were received: Warren (Maritimes) Ltd., New Glasgow, Nova Scotia, $27,838; Tidewater Construction Co. Ltd., New Glasgow, Nova Scotia, $34,142; Aberdeen Paving Ltd., Bedford, Nova Scotia, $36,430.

2. The contract is being awarded to the lowest bidder—Warren (Maritimes) Ltd., New Glasgow, Nova Scotia.

ALLEGED SHORT MEASURE OF PRODUCTS SOLD IN WAXED CONTAINERS

Question No. 1,247—**Mr. Orlikow:**

1. Has the attention of the Department of National Health and Welfare been drawn to an article which appeared in the March, 1964 issue of the *Canadian Consumer* in which it is stated that, in tests conducted by the association on milk and fruit drink products sold in waxed containers, 13 of 21 brands tested failed to give full measure and, if so, what action was taken by the department to insure that companies selling products to the public in waxed containers, would deliver the amount indicated on the carton in the future?

2. Does the department check food products under its jurisdiction on a continuing and regular basis as is required by the regulations of the Food and Drugs Act?

Miss LaMarsh: 1. The department is aware of the article in the March 1964 issue of the *Canadian Consumer* relating to the net contents of dairy products, fruit juices and drinks sold in waxed cartons. The food and drug directorate has checked the products named in the article. Where violations were encountered, warning letters were sent to the manufacturers. Rechecks on a number of products have indicated that they are now satisfactory in regard to the net content declaration. A further survey of such products is in progress.

2. The food and drug directorate of the Department of National Health and Welfare, to the fullest extent possible with present staff and facilities, checks food products for compliance with the Food and Drugs Act and regulations.

TREATMENT OF DEFENCE DEPARTMENT PERSONNEL ON TERMINATION OF EMPLOYMENT

Question No. 1,254—**Mr. Starr:**

Will the government set out its reasons for adopting a policy in the Department of National Defence as its affects the army personnel and the civilian personnel of that department in that it provides for different treatment with respect to civilian personnel on termination of employment.

Answer: There are important and fundamental differences between the conditions of service of members of the forces and those applicable to civilian employees.

The civilian staff of the government as a whole is not being reduced whereas a substantial reduction in the strength of the armed forces is planned. It is thus possible in many instances to effect the transfer of a redundant civilian to another government department with no appreciable effect on his career.

Most civilian employees whose positions are redundant have obtained from their jobs training and experience that is useful to these employees whereas the training and experience of many members of the forces is of little direct value in the labour market.

Members of the forces, once enrolled or commissioned, are required to serve during pleasure or in accordance with the terms of their engagement and they may be required to serve at any place. If they wish to resign for any reason, they incur a financial penalty.

Civilian employees, on the other hand, are under no obligation to serve anywhere, and they may resign to take a higher paid position, or for any other reason, on giving two weeks notice.

The member of the forces who is compulsorily retired is thus inherently in a more difficult position than the civil servant whose position becomes redundant.

However, the Department of National Defence sought and obtained the assistance of the Department of Labour, the national employment service and the civil service commission to supplement the efforts of the department in placing redundant staff. The efforts of all these agencies have been reasonably successful in that well over half of the redundant employees have been placed in alternate jobs.

The majority of those laid off who were unable to find alternate employment were contributing to the unemployment insurance fund, and were, of course, entitled to unemployment insurance, a benefit which is not available to members of the armed forces who do not contribute to the unemployment insurance fund.

In addition, the treasury board agreed that civilian employees between age 50 and age 60 who were released because of abolition of their positions, and who so wish, may be considered as special cases under the public service superannuation act and paid an immediate annuity equal to the actuarial equivalent of the annuity payable at age 60. The usual gratuity based on one week's pay for each year of service is, of course, also payable to civil servants whose services are terminated.

Treasury board also agreed that removal expenses up to $500 could be paid to civil servants with five years service in classifications above the first promotion level who transferred to other government employment at another location.

The Department of National Defence and other agencies of the government will continue their efforts to ease the readjustments involved for civilian employees whose employment is affected by the changes taking place in the Department of National Defence.

WINTER WORKS EXPENDITURES, ROBERVAL COUNTY, QUE.

Question No. 1,255—**Mr. Gauthier:**

What amounts were spent on winter works in each of the following municipalities in Roberval county during the year ended March 31, 1964: (a) St. André (parish) (b) St. André (village) (c) Chambord(parish) (d) Chambord (village) (e) Lac Bouchette (f) St. François de Sales (g) Roberval (town) (h) Roberval (parish) (i) Ste. Hedwidge (j) St. Félicien (town) (k) St. Félicien (parish) (l) St. Méthode (m) Normandin (parish) (n) Normandin (village) (o) St. Thomas Didyme (p) St. Edmond des Plaines (q) Albanel (parish) (r) Albanel (village) (s) Girardville (t) Dolbeau (u) Mistassini (town) (v) Mistassini (parish) (w) St. Eugène (x) St. Stanislas (y) Notre Dame de Lorette?

Mr. MacEachen:

Municipal Winter Works Program 1963-64

Municipality	Estimated cost of projects during period	Estimated payroll cost during period	Estimated fed. govt. share of payroll cost
	$	$	$
St. André (parish)	3,500	3,300	1,980
St. André (village)	60,500	60,000	36,000
Chambord (village)	80,000	78,006	46,804
Lac Bouchette	125,668	125,668	75,401
St. François de Sales	273,309	129,291	77,575
Roberval (town)	578,227	420,511	252,307
Ste. Hedwidge	62,000	60,000	36,000
St. Félicien (town)	335,712	274,671	164,803
St. Félicien (parish)	55,000	52,000	31,200
St. Méthode	50,000	48,500	29,100
Normandin (parish)	59,700	52,650	31,590
Normandin (village)	93,200	87,200	52,320
St. Thomas-Didyme	28,000	28,000	16,800
St. Edmond des Plaines	24,000	22,800	13,680
Albanel (parish)	50,000	50,000	30,000
Albanel (village)	4,000	4,000	2,400
Girardville	110,600	102,300	61,380
Dolbeau	102,630	102,630	61,578
Mistassini (town)	524,331	398,394	239,036
St. Eugène	93,000	90,000	54,000
St. Stanislas	79,500	75,000	45,000
Notre Dame de Lorette	50,000	50,000	30,000
Total	2,842,877	2,314,921	1,388,954

MOVING OF FISHERIES DEPARTMENT PERSONNEL, PICTOU, N.S.

Question No. 1,276—**Mr. MacEwan:**

What moving and trucking firms are listed for the electoral district of Pictou, Nova Scotia, for the moving of personnel of the Department of Fisheries?

Answer: None. The removal expense regulations places responsibility for removal on the employee who makes his own arrangements subject to provisions in these regulations. One requirement is that he obtain estimates for shipment of household effects from two or more carriers. The employee is recouped for his cost of removal.

*CONVERSATIONS RESPECTING FILM ON PRIME MINISTER

Question No. 1,299—**Mr. Fisher:**

Did the Secretary of State for External Affairs have any conversations of any kind with either Mr. Alphonse Ouimet, Marcel Ouimet or Ron Fraser of the C.B.C. between April 29 and May 26 re-

[Mr. Gauthier.]

garding the Intervideo production, "Mr. Pearson" and if so, what was the purport of these conversations?

Mr. Haidasz: The answer to this question is no.

QUESTION PASSED AS ORDER FOR RETURN

DEFENCE PRODUCTION AIRCRAFT CONTRACTS

Question No. 1,242—**Mr. MacEwan:**

1. What was the total amount of contracts awarded by the aircraft branch of the Department of Defence Production from January 1, 1964, to May 31, 1964?

2. To what companies were these contracts awarded and what was the amount of same to each company?

Return tabled.

Mr. Knowles: Mr. Speaker, I want to raise a point of privilege under questions. May I ask why I should have to wait another week for answers to questions Nos. 1,290 and 1,291.

Both questions are very simple and both ministers concerned are present. One reads:

Where is the office of the Minister of Citizenship and Immigration?

The second one reads:

Where is the office of the Minister of National Health and Welfare?

Surely those questions could be answered without delay.

Mr. Stewart: Mr. Speaker, my understanding is that the delay here is due to the problem of interpreting the precise meaning of the word "office". Does this refer to a place, or does it refer to a particular legal function performed by the minister? When this question has been dealt with, the answers will be forthcoming.

[*Later:*]

On the orders of the day:

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I direct a question to the Minister of Justice. In view of the statement made a moment ago by the parliamentary secretary to the Secretary of State, to the effect that it is apparently impossible to define the words "in the office of a minister", can the Minister of Justice have an investigation made as to how it was possible on April 10 and May 22 to pass orders in council appointing certain people to employment in the offices of certain ministers? Will he check to see whether those orders in council were valid?

Hon. Guy Favreau (Minister of Justice): I will with pleasure, Mr. Speaker.

MOTIONS FOR PAPERS

Mr. J. B. Stewart (Parliamentary Secretary to Secretary of State): Mr. Speaker, motions Nos. 127, 128, 129, 130, and 131 are acceptable. I ask that notice of motion No. 123 be allowed to stand.

Mr. Speaker: Motion No. 123 stands.

MUNICIPAL RESOLUTIONS RESPECTING FLAGS AND ANTHEMS

Motion No. 127—**Mr. Pigeon:**

That an order of the house do issue for copies of all resolutions from Canadian municipal authorities received by the Prime Minister since the introduction of the proposed resolutions concerning the two flags and the two anthems appearing on the order paper as items 44 and 45?

Motion agreed to.

Inquiries of the Ministry

DIRECTORS OF CHARTERED BANKS

Motion No. 128—**Mr. Orlikow:**

That an order of the house do issue for a return showing the names and addresses of all directors of chartered banks in Canada as of June 11, 1964.

Motion agreed to.

CORRESPONDENCE WITH NEWFOUNDLAND GOVERNMENT RESPECTING FLAG

Motion No. 129—**Mr. Pascoe:**

That an humble address be presented to His Excellency praying that he will cause to be laid before ths house a copy of all letters, telegrams, and documents exchanged between the Prime Minister or any minister acting on his behalf and the premier or any minister of the government of Newfoundland regarding a flag.

Motion agreed to.

CORRESPONDENCE RESPECTING FILM ON PRIME MINISTER

Motion No. 130—**Mr. Fisher:**

That an order of the house do issue for a copy of all correspondence exchanged between the Prime Minister's office and the C.B.C. regarding the film project, "Mr. Pearson", including the letter from Richard Ballentine which may have set out the right of the Prime Minister's office to limit or censor the film and the letter from Mr. Reeves Hagan to the Prime Minister's office which may have redefined the limits set out in the Ballentine letter.

Motion agreed to.

PAYMENTS TO SENATORS AND MEMBERS

Motion No. 131—**Mr. Cameron (Nanaimo-Cowichan-The Islands):**

That an order of the house do issue for a return showing payments of indemnity and allowances under Senate and House of Commons Act since October 1, 1963.

Motion agreed to.

FINANCE

INCREASED DEFICIT IN BALANCE OF PAYMENTS

On the orders of the day:

Hon. George C. Nowlan (Digby-Annapolis-Kings): Mr. Speaker, in view of the fact that the Minister of Finance has informed us that he just returned last night he may not be conversant with the figures released this morning by the dominion bureau of statistics with respect to our balance of payments position, and the rather surprising increase in our deficits in the quarter just past as compared with the same quarter last year. The minister may have information with respect to that, but I would appreciate it if he would

comment on this matter at the earliest opportunity. As I understand it, there has been an increase of some $103 million in the deficit for this quarter as compared with that of one year ago.

Hon. Walter L. Gordon (Minister of Finance): Mr. Speaker, the dominion bureau of statistics released this morning the official estimates of Canada's balance of international payments covering the first quarter of this year. The deficit on current account totalled $341 million compared with a deficit of $238 million for the same period a year earlier.

The deficit was made up of a surplus on merchandise trade of $44 million in the first quarter and a deficit of $385 million on non-merchandise account. The trade surplus was $26 million smaller than that a year earlier when it will be recalled the temporary import surcharges were still in effect. There were also some imports of a non-recurring nature in the first quarter of this year which reduced the extent of the merchandise surplus. On the non-merchandise account our deficit on travel account was higher than a year earlier. Travel abroad in the first quarter was undoubtedly stimulated by the date of Easter, which fell in March.

The first quarter of each year is typically the weakest on our current account, and it was to be expected that a large deficit would be incurred. I suppose also this is one of the difficulties caused by increased prosperity. However, apart from a substantial repayment to the international monetary fund in the first quarter, our official holdings of gold and foreign exchange declined by only a relatively small amount in this period of seasonal weakness.

[*Translation*]

Mr. Gilles Grégoire (Lapointe): Mr. Speaker, I wish to ask a supplementary question. Can the Minister of Finance tell us if the greatest part of that deficit is due to the outflow of Canadian capital in dividends and interest paid to foreign companies?

[*Text*]

Mr. Gordon: As I suggested a moment ago, Mr. Speaker, the greater part of the increase or a big factor in the increase was the increasing travel expenditures of Canadians, presumably due to the fact that they are better off.

Mr. Nowlan: Perhaps they want to get away from this government.

[Mr. Nowlan.]

Mr. Gordon: Certainly there is no question that a big item is the amount of interest and dividends paid abroad.

Mr. G. H. Aiken (Parry Sound-Muskoka): A further supplementary question, Mr. Speaker, which I direct to the Minister of Public Works. In view of the fact that the balance of payments deficit on travel is so great, can we expect shortly a further announcement of assistance to the tourist industry on the great lakes, and particularly Georgian bay, in meeting the low water problem?

[*Translation*]

Hon. J. P. Deschatelets (Minister of Public Works): Mr. Speaker, may I point out to the hon. member that, as far as the tourist industry is concerned, I feel that he could put his question to another minister.

It is only incidentally that the Department of Public Works can help the tourist industry by making navigation on the waterways easier. If that is what the hon. member has in mind, I must tell him that my officials are preparing a plan in that connection and he is aware of the attention they are giving thereto.

[*Text*]

Mr. T. C. Douglas (Burnaby-Coquitlam): A supplementary question, Mr. Speaker. Can the Minister of Finance tell us what part of the international payments deficit is due to dividend and interest payments, and whether it has increased over the same quarter for the previous year?

Mr. Gordon: I do not have the exact figures here, Mr. Speaker, because I did get in rather late last night, but I will be glad to get that information and supply it to my hon. friend.

Mr. H. A. Olson (Medicine Hat): A supplementary question, Mr. Speaker. The Minister of Finance said there were a number of non-recurring increases in imports. At the same time he said there was a surplus of $44 million on merchandise account. Can he tell us how much of that surplus of $44 million on merchandise account is also non-recurring, such as payments for wheat?

Mr. Gordon: Mr. Speaker, I am sure my colleague the Minister of Trade and Commerce would question the premise of my hon. friend. I think the minister is hopeful that shipments of wheat will continue at a very high level.

REPORTED TAKEOVER OF CANADIAN LOAN COMPANY BY U.S. INTERESTS

On the orders of the day:

Mr. A. D. Hales (Wellington South): Mr. Speaker, my question is addressed to the Minister of Finance. Does the minister intend to investigate the takeover of another Canadian loan company, namely the Delta Acceptance Corporation Ltd., of London, Ontario, by the United States Avco Loan Company of New York?

Hon. Walter L. Gordon (Minister of Finance): No, Mr. Speaker; there are no laws against that sort of thing.

Mr. Reid Scott (Danforth): As a supplementary question, would the minister consider investigating whether this takeover would have been necessary if the assets and resources of the now defunct Canada development corporation had been available?

Mr. Gordon: Mr. Speaker, I am not sure what the hon. member means by "the now defunct", so I am not able to answer the question.

The figures on our current account show that our balance of payments situation remains a problem toward which we shall continue to work for a solution. The increase in the deficit was affected by the special factors mentioned, and is not to be regarded as disturbing.

COMMONWEALTH RELATIONS

AUTHORIZATION FOR USE OF ROYAL UNION FLAG

On the orders of the day:

Hon. Michael Starr (Ontario): Mr. Speaker, I should like to address a question to the Prime Minister. Has the government received written authorization from Her Majesty the Queen for the usage of the royal union flag, generally known as the union jack, in the circumstances prescribed in the resolution on the order paper, order No. 44(B)?

Right Hon. L. B. Pearson (Prime Minister): No, Mr. Speaker. It would surely be inappropriate to make a request for any such authorization, if it were required, until parliament deals with the matter.

Mr. Heward Grafftey (Brome-Missisquoi): A supplementary question, Mr. Speaker. Is it the government's intention to ask that the subject of a distinctive flag for the commonwealth be brought up at the forthcoming meeting of commonwealth prime ministers, or is there any talk now that the subject of such a distinctive flag will be brought up?

Mr. Pearson: I think we had better wait until we see what the Canadian parliament does with the resolution before we broaden its scope.

INQUIRY OF THE MINISTRY

On the orders of the day:

Mr. Robert C. Coates (Cumberland): I wish to direct a question to the Prime Minister. In view of the deliberate use of the flag design favoured by the Prime Minister to harass and embarrass the Leader of the Opposition in western Canada—

Mr. Speaker: Order. This question is completely out of order. Perhaps the hon. member would care to rephrase it.

AGRICULTURE

ARDA—DELAY IN APPROVAL OF PROJECTS IN QUEBEC

On the orders of the day:

[*Translation*]

Hon. Théogène Ricard (St. Hyacinthe-Bagot): Mr. Speaker, I would like to ask the Minister of Forestry a question. Can he tell the house why the federal government is delaying approval of the 116 rural development projects submitted by the government of the province of Quebec?

Hon. Maurice Sauvé (Minister of Forestry): Mr. Speaker, since ARDA was introduced, the government of the province of Quebec has submitted 116 projects at a total cost of $8 million, which have been approved, the federal government's share being $4 million.

Fourteen projects, at a total cost of $7 million, implying a federal contribution of $3,800,000, are now under consideration. Mr. Speaker, I think that if I listed all those projects I would immediately answer the hon. members question. Two of those projects were submitted on April 23, 1964; two on May 22; one on May 25; one on May 26; three on May 29; one on June 2; one on June 8; two on June 11, and the last one, yesterday, June 16.

Therefore, the greater part of those projects was submitted less than a month ago.

Mr. Ricard: Mr. Speaker, I would like to ask a supplementary question. Why the delay in approving the 29 specific projects about which Mr. Courcy, minister of agriculture of the province of Quebec complained yesterday when he upbraided the Minister of Forestry for infringing on a field which did not concern him?

[*Text*]

Mr. Speaker: Order. In view of the shortness of the question period today I suggest that the minister might make a reply tomorrow on motions or at some other time in order to conserve the time for questions.

REQUEST FOR ROYAL COMMISSION INQUIRY INTO SITUATION IN EAST

On the orders of the day:

[*Translation*]

Mr. L. J. Pigeon (Joliette-L'Assomption-Montcalm): Mr. Speaker, in the absence of the Minister of Agriculture I wish to direct a question to the Prime Minister.

Does the government intend to set up a royal commission on the precarious state of agriculture in eastern Canada, in view of the fact that hon. Mr. Courcy, minister of agriculture of the province of Quebec stated he was in favour of such a royal commission?

[*Text*]

Mr. Speaker: The hon. member for Northwest Territories.

Mr. Pigeon: Mr. Speaker, I think the Prime Minister was ready to answer.

Right Hon. L. B. Pearson (Prime Minister): I was just going to say I was going to look into the matter.

EXTERNAL AFFAIRS

CYPRUS—EXTENSION OF PERIOD OF COMMITMENT OF CANADIAN FORCE

On the orders of the day:

[*Translation*]

Mr. Marcel Lessard (Lake St. John): Mr. Speaker, I should like to direct a question to the Secretary of State for External Affairs.

We have asked him many times if the mandate of the Canadian forces assigned to the United Nations would be renewed within three months. The minister replied that the government had not taken any decision on the matter. Therefore, how can he explain the fact that we learn today, from a statement made by the Minister of National Defence, that the mandate of the Canadian troops in Cyprus will be extended by three additional months and probably for an indefinite period?

Hon. Paul Martin (Secretary of State for External Affairs): Mr. Speaker, I do not think the Minister of National Defence made a statement in that sense. I have his statement before me and, for the moment, I cannot add anything, except to repeat what I told the hon. member for Villeneuve (Mr. Caouette) the other day, namely, that when the security council will have taken a decision I will be in a position to make a statement on behalf of the government.

Mr. Lessard (Lake St. John): A supplementary question, Mr. Speaker. Could the Secretary of State for External Affairs exercise some pressure on his colleague the Minister of National Defence, in order that Canadian forces rotate every three instead of every six months, as now proposed? In my opinion, six months is too long a period and the rotation period should be reduced to three months.

Mr. Martin (Essex East): Mr. Speaker, there is of course no reason to do what the hon. member is asking me.

[*Text*]

Mr. T. C. Douglas (Burnaby-Coquitlam): A supplementary question, Mr. Speaker. May I ask the Secretary of State for External Affairs if he can give the house the assurance that in the event the security council decides to extend the term during which the peace keeping forces in Cyprus will continue to operate, the Canadian government will be prepared to announce that Canada will continue its contribution to the peace keeping forces for that period?

Mr. Martin (Essex East): Yes, sir.

Mr. D. V. Pugh (Okanagan Boundary): A supplementary question, Mr. Speaker. Can the Secretary of State for External Affairs tell us the content of the communiqué from the Minister of National Defence with regard to the duration of time in Cyprus?

Mr. Martin (Essex East): Mr. Speaker, what I said to the hon. member for Lake St. John who asked me the question, was that there was nothing in the statement attributed to the Minister of National Defence in Cyprus—warranting the conclusion which the hon. member with the best of intentions I know—reached. The Minister of National Defence was dealing with the question of rotation of troops.

Mr. Andrew Brewin (Greenwood): Mr. Speaker, my question to the Secretary of State for External Affairs is on a related subject. In view of the statement of the secretary general of the United Nations that the problem of arms reaching Cyprus is critical and may be a decisive factor in determining the ability of the United Nations efforts in Cyprus to succeed, can the minister tell the house what action, if any, has been taken or is contemplated by the government, either through the

United Nations or in conjunction with our NATO allies, to prevent the further spread of these arms to the Turkish and Greek Cypriots?

Mr. Martin (Essex East): Mr. Speaker, I thank my hon. friend for giving me an indication of his intention to ask this question. I am in full agreement with the United Nations secretary general's statement in his report to the security council yesterday when he said: "The problem of arms in Cyprus is critical. Indeed, it may be the decisive factor in determining the ability of the United Nation's effort in Cyprus to succeed."

As I mentioned the other day, the government has been in consultation with the United Nations, and with its NATO allies on this problem. Strong representations have been made to all the governments concerned, and in addition bilateral representations have been made to other countries which might supply arms, urging that all such shipments be prevented.

Mr. Brewin: May I ask a supplementary question, Mr. Speaker. Can the Secretary of State for External Affairs assure the house that aircraft and other armaments provided by Canada under mutual aid to NATO are not being delivered to Turkey or Greece in such a manner as might increase the danger of war between these two NATO countries?

Mr. Martin (Essex East): Mr. Speaker, I can certainly give the house that assurance. No F-104 aircraft paid for by Canada under mutual aid for NATO are being delivered to Turkey or Greece this year, as the Minister of National Defence informed the house in his reply to a similar question on May 13 last.

ANGOLA—USE BY PORTUGAL OF CANADIAN ARMS

On the orders of the day:

Mr. H. W. Herridge (Kootenay West): Mr. Speaker, I wish to ask a question of the Secretary of State for External Affairs supplementary to the one with regard to the moral use of Canadian arms supplied to other nations. Can the minister say whether arms supplied by Canada to the Portuguese have been used to butcher women and children in Angola?

Hon. Paul Martin (Secretary of State for External Affairs): Mr. Speaker, the question of the export of arms and military equipment from Canada to Portugal has come up on a number of occasions during the past few months, and I believe the house is familiar with the government's policy.

Inquiries of the Ministry

On October 21, 1963 I stated that Canada has not made any contributions of military assistance to Portugal since November, 1960. So far as commercial sales of arms are concerned we have, from that date, refused to authorize the export of any arms or equipment which in our judgment could be used against the African population in the Portuguese overseas territories. Portugal is aware of our attitude in this regard. Our policy is in keeping with the United Nations security council resolution of July 31, 1963 to which we have adhered.

I should add that I am not aware that anybody has suggested that Canada's military assistance is being used by Portugal in Angola, except as indicated by the hon. gentleman himself.

Mr. Herridge: Is the minister aware of the fact that I quoted a newspaper dispatch in asking my question on this matter?

Mr. Martin (Essex East): I am now aware of that fact.

TRADE

REPORT ON CONCLUSION OF UNITED NATIONS CONFERENCE

On the orders of the day:

Hon. Paul Martin (Secretary of State for External Affairs): While I am on my feet, Mr. Speaker, may I in response to a question asked by the hon. member for Digby-Annapolis-Kings—say that I have a reply with regard to the conclusions of the United Nations conference on trade and development. In view of its length I suggest that I table it. In view of its importance, as the hon. gentleman suggested to me privately, we might agree that it become part of today's record.

Hon. George C. Nowlan (Digby-Annapolis-Kings): This would be agreeable to me, Mr. Speaker; I think it should become part of the record. I am glad to know the minister has rectified his omission of yesterday. I am glad that as a historian he has recognized the fact that Port Royal was the capital of this country in the days when Stadacona and Hochelaga were Indian villages, and that it was in the constituency of Digby-Annapolis-Kings.

Mr. Martin (Essex East): If I did any offence to the "historicity" of the hon. gentleman's constituency, of course, I take the opportunity of correcting it at once, and recognize that a fitting member represents such an historic community.

Inquiries of the Ministry

Mr. Speaker: Does the house agree that this reply be printed in *Hansard*?

Some hon. Members: Agreed.

[*Editor's note: For text of reply above referred to see appendix "A".*]

CANADIAN FLAG

INQUIRY AS TO GOVERNMENT POSITION ON DIVIDED RESOLUTION

On the orders of the day:

Hon. Michael Starr (Ontario): I wish to address a question to the Prime Minister. In view of the fact that the Prime Minister declared that the government would stand or fall on the original flag resolution, will he advise the house whether he takes the same position with regard to resolution (B) which deals with the union jack?

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, as I understand it, the technical situation is that there is only one resolution which has been divided into two parts. The position of the government with regard to the original resolution has not been changed because of the fact that it has been divided.

HOUSE OF COMMONS

REQUEST FOR ADJOURNMENT FOR ST. JEAN BAPTISTE DAY

On the orders of the day:

[*Translation*]

Mr. L. P. Antoine Bélanger (Charlevoix): Mr. Speaker, I wish to direct a question to the Prime Minister.

In view of the fact that the national holiday of French Canadians will be observed next week, that is Wednesday, June 24, is the Prime Minister in a position to tell us whether the house will sit on that day and whether the hon. members from Quebec will be able to participate in that celebration and enjoy a holiday, without neglecting their duties here?

[*Text*]

Right Hon. L. B. Pearson (Prime Minister): I can think of no more appropriate way of celebrating this important day in our history than being in this House of Commons deciding on a Canadian national flag.

PUBLIC SERVICE

REPORT OF COMMITTEE RESPECTING COLLECTIVE BARGAINING

On the orders of the day:

Mr. Gerald A. Regan (Halifax): I should like to direct a question to the President of the Queen's Privy Council. Will the President of the Privy Council indicate what progress is being made by the committee which is developing a system of collective bargaining for government employees, and when this committee will complete its work? Can he reassure the house that a system of arbitration of employee grievances will be included in any eventually established system of collective bargaining?

Mr. Speaker: Order. Important as this question is, would the hon. member put it on the order paper.

FLOODS

SOUTHERN ALBERTA—STEPS TO ALLEVIATE SITUATION

On the orders of the day:

Mr. Lawrence E. Kindt (Macleod): Yesterday I directed a question to the Prime Minister, but apparently he did not have the information and there was silence. Part of the answer regard P.F.R.A. at Glenwood rests with the Minister of Agriculture, and he is not in the house. The other minister concerned is the Minister of Northern Affairs and National Resources.

Mr. Speaker: Order, please.

Mr. Kindt: In his absence may I direct my question to his executive assistant. My question is as follows. Will he inform this house and the country on the government's program to meet the flood disaster situation in southern Alberta at Waterton lakes, Glenwood, Stand Off and Cardston?

Mr. John N. Turner (Parliamentary Secretary to Minister of Northern Affairs and National Resources): Mr. Speaker, I assume the hon. member will permit me to answer as parliamentary secretary to the minister. The water levels, fortunately, are receding at Waterton lakes national park and the people are returning to their homes. We have not yet got a firm estimate of the damage, but the Minister of Northern Affairs and National Resources will be visiting the park personally at the end of this month.

ARTS, LETTERS AND SCIENCES

SUGGESTED POSTPONEMENT OF HEARINGS BY ROYAL COMMISSION

On the orders of the day:

Mr. Gene Rhéaume (Northwest Territories): Mr. Speaker, I have a question for the Prime Minister. Will he consider asking the "B. and

B." commission to postpone further hearings in order to deny racial fanatics a national platform from which to advance their dangerous and divisive ideas?

Right Hon. L. B. Pearson (Prime Minister): No, Mr. Speaker.

ADMINISTRATION OF JUSTICE

CONTINUATION OF STUDIES BY FLQ MEMBERS IN PRISON

On the orders of the day:

[*Translation*]

Mr. Gilles Grégoire (Lapointe): Mr. Speaker, I have a question for the Minister of Justice.

Could he tell us what steps his department intends to take about the hunger strike which has been going on for three days at the St. Vincent de Paul penitentiary?

Hon. Guy Favreau (Minister of Justice): Mr. Speaker, I must say that two of the inmates in one place and four others in another place had gone on a hunger strike Monday. Two of them gave it up, one Monday morning and the other Monday afternoon, and the strike was over yesterday afternoon or evening in the case of the other four.

As for the steps that have been proposed, especially concerning the possibility for some to carry on their university courses, I am giving the most serious consideration to this matter and I shall soon be able to report on it.

[*Text*]

HEALTH AND WELFARE

NEW DIAGNOSTIC PROCESS RESPECTING HEART DISEASE

On the orders of the day:

Mr. Andrew Brewin (Greenwood): Mr. Speaker, I would like to ask a question of the Minister of National Health and Welfare. I gave her very inadequate notice, but perhaps she can answer it. Has she had her attention called to the statement by a distinguished United States doctor that politicians and air line pilots would be well advised to submit to a new heart disease diagnostic process called cine coronary arteriography; and will the minister give consideration to having this equipment installed in the House of Commons so as to promote the physical longevity of cabinet ministers and perhaps other hon. members of the house?

Inquiries of the Ministry

Hon. Judy V. LaMarsh (Minister of National Health and Welfare): Mr. Speaker, the hon. member did show me a newspaper clipping just before entering the house, and I pointed out to him that perhaps some hon. members felt there were enough films being taken of them already without worrying about one of their hearts. However, I should like to say that it is not the belief of this government that it will be necessary to resort to such techniques in order to prolong its own longevity.

NATIONAL DEFENCE

QUEBEC—ADMISSION FEE TO WATCH CHANGING OF GUARD

On the orders of the day:

[*Translation*]

Hon. Lucien Cardin (Associate Minister of National Defence): Mr. Speaker, on Monday last the hon. member for Lapointe (Mr. Grégoire) asked whether, in some places in Canada, army officers required payment of an admission fee by spectators to attend the changing of the guard and, in a supplementary question, he asked if I could take some action so that army officers would abolish the amount of 75 cents which is required from every tourist who wants to see the changing of the guard at the Quebec Citadel.

I wish to inform the house that the amount of 75 cents to which my hon. friend referred is required from every person who wishes to visit the Quebec Citadel, with or without the changing of the guard.

The Citadel is an important historic site and armoury whose operation and management fall exclusively under the Royal 22nd Regiment and not the Department of National Defence.

Because of the great number of people who visit the Citadel, it is necessary for the 22nd regiment to hire guides recruited among war veterans and students. The admission price is used, among other things, to pay the guides' and watchmen's salaries and for the maintenance of the regiment's museum which is open to the public all year round.

Because of the way the Citadel itself is built, and because it also holds the Governor General's summer residence, the changing of the guard takes place inside the walls and people who are already in the Citadel at the time of that ceremony can of course see it without paying anything extra.

[*Text*]

LABOUR RELATIONS

MONTREAL—SETTLEMENT OF WILDCAT STRIKE OF LONGSHOREMEN

On the orders of the day:

Mr. Heward Grafftey (Brome-Missisquoi): Mr. Speaker, I would like to direct a question to the Minister of Labour. Can he report any progress to the house relating to the dockers' strike in the port of Montreal, and whether in his view a settlement is imminent?

Hon. A. J. MacEachen (Minister of Labour): Mr. Speaker, my officer in Montreal advises me he has been notified by an officer of the I.L.A. that work will resume tomorrow morning.

PRIVILEGE

MR. RICARD—FAILURE TO BE RECOGNIZED BY CHAIR

On the orders of the day:

[*Translation*]

Hon. Théogène Ricard (St. Hyacinthe-Bagot): Mr. Speaker, I rise on a question of privilege. I wonder if, in rising, I am in your way when you want to recognize other members behind me, since, a moment ago, you seemed to be looking behind me to try to recognize other members, while I rose many times myself and you failed to recognize me.

[*Text*]

Mr. Speaker: Order, please. There is surely no question of privilege here. The hon. member has himself asked two questions today, and it does seem to me that other hon. members are entitled to ask one question.

CANADIAN FLAG

OFFICIAL ESTABLISHMENT OF NEW DESIGN

The house resumed, from Tuesday, June 16, consideration of the motion of Mr. Pearson, and the amendment thereto of Mr. Diefenbaker.

That the government be authorized to take such steps as may be necessary to establish officially as the flag of Canada, a flag embodying the emblem proclaimed by His Majesty King George V on November 21, 1921—three maple leaves conjoined on one stem—in the colours red and white then designated for Canada, the red leaves occupying a field of white between vertical sections of blue on the edges of the flag.

Mr. Robert C. Coates (Cumberland): Mr. Speaker, before concluding my remarks last evening I outlined to the house what newspapers in every province of this country were saying in support of a national plebiscite in order to determine the views of the Canadian people with regard to a flag design. Today I would like to turn to another subject, the Canadian red ensign, and its evolution in becoming Canada's national flag.

We are aware, today, how this debate has evolved—how the original resolution proposing two flags has been split so that a debate might go forward on only one of the two flag proposals. We know from the debate of Monday that Your Honour's decision in this regard was based on British parliamentary tradition. We learned during the Prime Minister's speech that the main reason for his party's objection to the Canadian red ensign is the fact that it was originally a British design. To see the Prime Minister performing in this way presents a curious spectacle. To begin with, he holds an office which originated in Great Britain. He speaks in parliament, which is a British institution. He spoke for two hours in a language which was English. Yet, at the same time, he rejects all that is British in our flag. I would point out to him that Mr. Ilsley in 1945 stated that the ensign flew almost uninterruptedly in Canada from confederation until 1904. It has been honoured in Canada for more than 70 years. How long does it take for an immigrant to become a Canadian under the Liberal government?

The Canadian ensign is Canadian by adoption, by assimilation and by tradition. In addition to the union jack it contains the maple leaves and the fleur-de-lis. It is, of course, the presence of the union jack which bothers the Prime Minister and his friends. It is so British that it is still part of the flag of Hawaii, one of the states of the United States. Mr. Speaker, the union jack contains the crosses of Saint George, Saint Andrew and Saint Patrick based on an ensign confided to William of Normandy by Pope Alexander. No one has ever accused William of Normandy of being British. These three crosses symbolize the Christian background of our peoples. Now they are to go. What of the maple leaves? The Prime Minister based his case on a royal proclamation by George V. As far as I know, he was British. Has the right hon. gentleman ever read the words of "The Maple Leaf Forever"? It begins:

> In days of yore from Britain's shore
> Wolfe, the dauntless hero, came—

He did not come here as a tourist. As far as I know, he was British. Why is it all of a sudden necessary to eliminate from our flag any reference to our British tradition? I say

to you, sir, that to the best of my knowledge no Canadian in Canada is anxious to remove the fleur-de-lis from the red ensign; no Canadian in Canada is unwilling to consider a compromise; no Canadian in Canada, as far as I know, is unwilling to put this red ensign to the test of a national plebiscite. The only fair way in which Canadians will ever be able to know what the Canadian public really thinks about our flag or about a flag design is to secure from them their opinions on the matter.

The Prime Minister took great pleasure the other evening in placing on record certain letters he had received from Canadians who supported his flag proposal. I wish to take a few moments in order to put on the record some of the views of those who have written to me on this subject. I have a letter here from a gentleman in Halifax, Nova Scotia, who has something to say about the red maple leaves which appear in the flag design proposed by the government. He says:

> I do not know that it is obligatory that the flag should be approved by the college of heralds, but the college is certainly the final authority in such matters. For the official specifications for the coat of arms for Canada granted in 1921, the three maple leaves in the section at the bottom of the shield are green on a white field and not red. This follows the design of the sprig depicted in the coat of arms of the province of Quebec, three green maple leaves on a yellow field. In the Ontario design the maple leaves are gold on a green field.
>
> I was chairman of the committee of the general synod of the Anglican church which adopted a coat of arms in 1938. The arms consist of the cross of St. George with four green maple leaves in the centre of the shield. The original design suggested red maple leaves and the Garter King of Arms promptly told us that red maple leaves would mean a dying church and the only proper colour was green. Moreover that was the colour of the maple leaves in the Canadian coat of arms of 1921.

I certainly hope the red maple leaves on the design before us do not indicate a dying nation.

Also, I received a letter from a Canadian in Ottawa making clear in great detail how long the red ensign has been in use in Canada and referring specifically to a pamphlet put out in the early years of this century by John S. Ewart entitled "Sir John A. Macdonald and the Canadian Flag". This article tells us that for many years the red ensign has been in use in Canada and exhibited as our national flag.

With regard to a referendum, I have received many letters both from people living in my own constituency and from residents of other areas in Canada urging that the government should not endeavour to foist its personal preference on the Canadian people but, rather, that it should secure the opinion of the Canadian people on what the design should be. The Prime Minister took great delight in reading letters he had received in support in reading and in support of his point of view. I happen to have available to me a copy of a letter he received from a lady who is not a Canadian; she is a resident of Rochester, New York.

I wish to read what this lady had to say, just to point out that all the letters the Prime Minister has received do not support his particular pennant, are not in agreement with his handling of this matter, and indicate just how autocratic he and his party have been in the procedure they have followed in this instance. The letter reads as follows:

> There is just one tragedy. I have no influence to stop this flag from being presented to the people and I have no influence to change the government's mind. Actually, in a free country, two different designs, the red ensign and other should be presented to the country and a vote taken. Then the people who are supposed to be free would really be exercising their rights as free people. There is just one thing I can do. That is, turn my face away from the new flag and blink violently once or twice and swallow a great big lump in my throat—I remember most vividly a very handsome young man, who was not a born Canadian, who in 1940 put his hand up lovingly on a red ensign and said, "I am going to fight for my adopted country. I shall protect this flag. I shall be brave and some day I shall kneel before the Queen". His page in the Book of Remembrance is turned each July 1st—and several years ago the Queen visited the chamber where the book is on July 1st and I wept all that day and wondered if my darling air force officer knelt before her and if she knew it.

Mr. Speaker, that is the type of letter that shows the shame in the action that has been taken by this government in autocratically and dictatorially forcing a personal pennant, a flag that is meaningless, on the Canadian public in its efforts at this time.

Mr. B. S. Mackasey (Verdun): Mr. Speaker, at this moment I am very conscious of the fact that I am but a backbencher, participating however in a rather historic debate, one in which many great orators have already expressed their opinion and the opinion of their colleagues. Speaking in this house is not an easy task. One is always aware of the fact that this is a house of debate, made up of an audience that is both critical and at times very cruel, but an audience that in the final analysis fulfils its mandate to the people of Canada.

There are times when I sit in the back bench, listening to great Canadians participating in debate, that I become very conscious of my heritage. I say to you, Mr. Speaker, that there are great Canadians in this house; such great Canadians as the Prime Minister (Mr. Pearson), the right hon. Leader of the Opposition (Mr. Diefenbaker), Mr. Douglas, Mr. Knowles, Mr. Flemming (Victoria-Carleton), Mr. Martin and so many other memorable people who have dedicated their lives to Canada through the medium of elected office. I suppose I am not alone, gentlemen, when I think back to the great men who by their words have sanctified this chamber; the almost legendary figures of Canadian history, speaking in a time when public speaking was a way of life—men like Brown, Cartier, Laurier, Macdonald, Lapointe, Bennett, D'Arcy McGee and Chubby Power. It is little wonder then, gentlemen, that in participating in this historic debate I am very conscious of my limitations.

But, Mr. Speaker, despite those limitations I cannot visualize one member of this house, regardless of his political beliefs, regardless of whether he is for the new flag or the red ensign or the union jack, whether he wants or does not want a referendum, participating in this debate unless he is motivated by sincerity and honesty both to himself and to the people whom he represents. Perhaps I think too highly of this place. Certainly it has its critics. Certainly there are moments, even in this debate, when in the eyes of the press and the people in the galleries we do not conduct ourselves in a manner befitting our high office. But, Mr. Speaker, it is to the everlasting credit of this house that with very few exceptions our conduct has stood the test of time. Our way of life has made it possible for parliament to render its decisions with dignity and sincerity and with an honesty that is unequalled in any other country in the world.

I should hope that when this debate is over, when the new flag is accepted or rejected, whether we have a referendum or whether we do not, all of us without exception can look back and say; that we have conducted ourselves with dignity, that we voted honestly for what we thought to be in the best interests of Canada and Canadians.

Some hon. Members: Hear, hear.

Mr. Mackasey: For myself, Mr. Speaker, I represent 90,000 Canadians residing in Quebec's third largest city, the proud city of Verdun; and knowing this community as I do, my political instincts—which, incidentally, have served me well in the past both in civic and federal life—have suggested that possibly I should refrain from participating in this debate. At first glance this would be the prudent thing to do; but the Irish, gentlemen, even those of us born in Canada, are not known for their timidity or for their prudence.

My riding has strong ties with Great Britain and France. The residents of Verdun are almost equally divided amongst those who claim French as their mother tongue, and those who claim English. One might think at first glance that in voting now for the red ensign I would alienate my French speaking friends, or in voting for the new flag I might be rejecting the English. Indeed, Mr. Speaker, practically all the English speaking peoples in Verdun originate from the British Isles, and our community is proud of the fact that thousands of people from Newfoundland, long before that province became part of Canada, migrated to and still live in the city of Verdun. These are a proud people who brought with them a great love of the union jack, of history and of the British Isles. So it is only natural that I did some soul searching before coming to a decision both on the referendum and on the flag. I thought, Mr. Speaker, of the fact that Verdun in the first world war sent more volunteers overseas than any community of similar size in Canada. I remembered too our equally impressive record in the second war and the fact that Buzz Beurling, a great war hero, was brought up in the city of Verdun. I am vividly aware of the presence of two fine Legion branches in my community, endorsers of the red ensign, branches which remember Canada's history in a manner that should be the rule rather than the exception. Our older branch annually celebrates the battle of Ypres with a military parade second to none in Canada; a parade designed not to glorify war but to point out war's futility; a parade in which our hospitalized veterans are not forgotten. Our second Legion, branch 202, recognizes Dominion day in a manner almost extinct now in Canada—a return to the days when the simple things of life were important, to a field day complete with foot races, fireworks and family participation.

Despite these strong ties with Great Britain, Mr. Speaker, and remembering too our glorious war record and the contribution which the city of Verdun has made to Canada, I must when the time comes vote for the new distinctive Canadian flag so eloquently introduced into this house by a man who must

go down in history as one of Canada's greatest sons. It is a flag which I hope will emphasize, not the differences in our backgrounds, but rather will serve as a symbol acceptable without reservation to all Canadians, including those millions who originate not from the founding races but from other nations—great Canadians who have contributed much to make Canada such a wonderful country.

There have been in this debate many fine speeches, including that of the leader of the New Democratic party, which have emphasized the need for unity and tolerance in Canada. I am one of those fortunate people in this country who know of the benefits of tolerance and understanding, for in my community I have been exposed to the best of two cultures, of two languages, of two peoples different in many ways. They are two peoples impatient with each other sometimes but who, Mr. Speaker, in my province at any rate, have lived together, played together, prayed together, and at times have fought together, people who respect each other always in complete freedom and always as Canadians.

There are those in this country, Mr. Speaker, who regard the new flag as an appeasement to French speaking Canadians. There are some who think this way who are motivated by hate, and we can only feel sorry for them. There are other sincere people who are motivated by a lack of understanding of what I know to be warm, friendly, intelligent people, people who, Mr. Speaker, time after time in the annals of Canadian history, have proven their allegiance to Canada, their respect for the commonwealth and their loyalty to the monarchy as head of the commonwealth of nations. I am proud to be part of a French speaking community. I might add, Mr. Speaker, that these are people ready and willing to sacrifice their own historic symbols for what they think is in the best interests of a united country.

I would ask all hon. members who are listening to my humble remarks not to fall into the trap of hatred. I would ask them not to judge Quebec or French Canada by the acts of those who would separate our country; those who would build up a case for separatism founded upon their own failure and inability to adjust to the ever changing face of Canada and Quebec.

There are some fine people in this house who have made a strong and excellent case for a referendum; but whether we like it or not, gentlemen, such a referendum would in no time at all, in the days before its consummation, deteriorate into a carbon copy of another general election. Picture if you will not only politicians touring the country and voicing their opinions on the flag but countless other Canadians caught up in the swell of emotions; Canadians from all walks of life emphasizing our cultural differences and widening the still bridgeable differences of opinion in our nation. That is the type of situation, Mr. Speaker, which could lead to violence and even to anarchy.

Nor can I accept a referendum as a convenient method of shirking my responsibilities; and in this regard I speak only for myself. To be willing to face my responsibilities is one of the very few virtues I have brought to this house, Mr. Speaker. I feel deeply that there comes a time in the life of every politician when he must look the issue straight in the face; a time when he must accept the challenge or forever fade into oblivion. For I have long come to the conclusion that doing what is right is, in the final analysis, doing what is politically right.

In conclusion, Mr. Speaker, let me say that I visualize the day when the advantages of the many cultures of this nation will become apparent to all Canadians; when the languages of Canadians of different backgrounds from our own will not be something to fear but something to cherish. I visualize the day when Canadians from sea to sea will have learned to respect each other, yes even to love each other as we do in Quebec; a day when Canada will start back on the road to the great destiny predicted for it by Sir Wilfrid Laurier. This I may not see in my time, but perhaps it will come in my children's time —a day which I feel will be hastened by our new distinctive Canadian flag, a flag which will be this parliament's contribution to the future greatness of Canada.

Mr. O. W. Weichel (Waterloo North): Mr. Speaker, before speaking on this resolution concerning a distinctive Canadian flag I should first like to mention that on January 23, 1961 I had the privilege of taking part in the formulation of a resolution which was brought forward by the former member for St. Boniface, which asked for a distinctive flag. At that time I mentioned that if a change was necessary we should adopt the flag suggested by His Majesty King George V in 1921. I think that if a referendum or plebiscite were held all people in Canada would have the opportunity of expressing their own personal opinion.

Canadian Flag

The Royal Canadian Legion, dominion command, passed the following resolution in 1958, at which time I stood behind it 100 per cent:

> Be it resolved that this convention requests the federal government to place the selection of a Canadian national flag before the people in the form of a referendum or plebiscite, using
> (a) the flag recommended in the majority report of the parliamentary committee of July 1946;
> (b) the flag recommended in the minority report of the same committee.

From time to time, Mr. Speaker, we have had requests concerning a referendum or a plebiscite. The red ensign, which after all is a distinctive flag, to me at any rate, has been my choice since the first great war, at which time I had the honour of serving my country. During the second world war a son of mine did likewise and I now have two sons carrying on this fine tradition in the Scots Fusiliers.

Further on in my remarks I will dwell on the red ensign and explain why I think it should be retained as the national flag of Canada, which is my right as a citizen of this great country. According to this resolution, we as members of this house are asked to decide on a new distinctive flag and in so doing to express our views and those of our constituents. This is not a party political question at all. It is one which concerns the very soul of the nation. It is one upon which every Canadian is entitled to have a say now that the government has insisted that it is an urgent national question. If Canadians are not prepared to act in defence of the symbols of their heritage today, they are inviting destruction of that very heritage tomorrow.

I believe that to ask hon. members to make a decision on behalf of their constituents in this regard is one of the most unfair procedures to which members could be subjected, as we well realize that people are divided on this question. In some areas you may have 60 per cent of the people in favour of the retention of the red ensign, and vice-versa in other areas. In voting on this important question we are really only speaking for those whose opinion may coincide with ours.

It has been suggested that a free vote of members of parliament and senators be allowed. Even with such a vote there would be a natural tendency, human nature being what it is, for government supporters to vote for the government's own design, and it is far from certain that a parliamentary vote on an issue of this nature would accurately reflect the feelings of all the people of Canada. If such a referendum or plebiscite were held the ballot could contain reproductions side by side in full colour of the Canadian red ensign and the flag design sponsored by the government and under each design could be a square in which the voter could record his preference by merely writing an X.

I do not know the exact rules when asking for a referendum or plebiscite, but in regard to choosing a new flag or continuing with the red ensign may I make the suggestion that we should debate this resolution so that every member may have an opportunity to express his views and that after the debate is completed an educational campaign, like the one suggested by the former prime minister, Mr. King, be carried on in order to supply information as to the full meaning and history of the flag to every citizen in Canada, for their study and consideration. When the next election is held a plebiscite could also be included so that people could then vote according to their convictions. In this way we would have the personal opinion of every Canadian.

In an editorial in *The Legionary* of May, 1964, the following article appeared:

> In a free democratic country, where public opinion is neither regimented nor suppressed, instances occur when people are stirred to the innermost depths of heart and soul. Then it is that government by the people, for the people, is given true effect by a national vote on the issue at stake.

Mr. E. V. Heesaker, dominion president of the Canadian corps association, must have provided the Prime Minister with a lot of food for thought when in a telegram on Tuesday, May 19, 1964, he had this to say:

> Surely the present government's memory is not so poor that it cannot recall April, 1942, when your political party then in power asked the Canadian people through a national plebiscite to relieve them of an election promise of 1940 not to draft men for overseas service. We would respectfully point out, Mr. Prime Minister, that if an election promise by your political party then was reversed by a national plebiscite, why cannot your election promise of 1963 re a new Canadian flag be similarly acted upon?

I would wholeheartedly support such a plebiscite and would abide by whatever decision was reached, as would all Canadians of good will and moderation. As I previously mentioned, how can 265 members of parliament deal fairly with such an important question when voting for over 19 million people? After all, I feel that such a plebiscite is just as important as the one on conscription during the second world war.

The question whether or not Canada should have a new distinctive flag has been a perennial one. It crops up sometimes from the most unexpected sources, which would appear to indicate a serious lack of information concerning the flag itself and the source from which the propaganda originally emanated. Does it stem from citizens loyal to Canada and the crown or from subversive forces who desire to dismember the British commonwealth and break every link that binds together all the units of our great commonwealth of free and equal nations? God forbid. I say this because in the past I spent some time in England and Scotland and I came home thanking God that there were people in Great Britain ever ready to help, wonderful people, people whom I consider among the finest in the world.

Such information should be given to all who raise the question in order that the general public will be able to weigh the various arguments with understanding of the various issues involved and arrive at an intelligent conclusion. Surely we all realize that the Canadian red ensign has gradually grown up with the dominion until today it is the symbol of Canada's place of importance, not only among the great dominions of the commonwealth but among the nations of the world, as a symbol of leadership and prestige. It is a well known fact that people from other countries of the world recognize our Canadian red ensign as Canada's national flag. But are we in Canada too complacent about knowing our own flag? Ask yourselves this question in all sincerity.

Our men and women of the army, air force and navy services have proudly served under it in foreign lands, just as their fathers did before them during the first great war. To them it represented all for which they stood, all for which they were ready and willing to lay down their lives if necessary, and for it many shed their blood.

Have those of you who are ready to discard this fine flag asked yourselves this question? What would the 110,000 men and women who laid down their lives during the first and second great wars say if they were able to come back to this life? What would be their reaction to such a move? I am sure their answer would be: Why do we need a new flag?

Some time ago I read in one of our daily papers that in choosing a new flag we should forget our past. Just imagine someone like myself forgetting my past. What would the answer be from the thousands of disabled veterans, the blind, the amps and paraplegic cases like myself, who have to carry our scars to our graves? Can we forget the past? I ask hon. members that question. I am sure we have carried our scars without complaint but I ask you not to make our load a greater burden.

By common custom the Canadian red ensign has been recognized as a distinctive Canadian flag, and this position was tacitly acknowledged and confirmed by prime minister Mackenzie King, who was born in Kitchener in my riding of Waterloo North and whose former home was redecorated by the former government as a historic place for visitors. We have not forgotten the former prime minister of the Liberal party. No, we have redecorated his home because we wanted to preserve it for historical purposes. He said that only an act of parliament is now required to make it the national flag of Canada, but before the final step is taken there should be an educational campaign, as I mentioned before, to supply information as to the full meaning and history of the flag so that every citizen may be assured that it is the most eminently suitable flag for our use. I am convinced, Mr. Speaker, that if the present government had carried out the wishes of the prime minister of that time such a resolution would not be necessary now.

The Leader of the Opposition (Mr. Diefenbaker) mentioned something which I have in my speech and should like to repeat. The distinguished commander of the first Canadian army in world war II, General Crerar, recorded an incident of great historical significance to all Canadians when recounting the official welcome to him in August, 1945, by our wartime prime minister Right Hon. William Lyon Mackenzie King. The general wrote in the March, 1963 issue of *The Legionary:*

> As we moved away from the central entrance of the parlament buildings Mr. King turned sideways in the car and looked upwards to the peace tower where, at the top, the Canadian red ensign waved. He then said, "And that, General, is another problem which your Canadian army has solved for Canada—the matter of our national flag".

When our prime minister of that day made this remark to General Crerar he was, in effect, saying that history produces an acceptable national flag for a people. At a time like this can we overlook statements made by such distinguished Canadians as these men and others?

It is not generally known that in 1921 the Canadian government specifically requested

Canadian Flag

His Majesty King George V to order a new coat of arms for Canada. In response to this request, His Majesty commanded the Royal College of Heralds to design a suitable coat of arms. The coat of arms is in use today, and in accordance with custom, the design of the shield has been displayed on Canada's flag. The Canadian red ensign is the distinctive flag for Canada. It properly shows upon it the union jack, which is the flag of the empire and commonwealth of nations. This proclaims to all the world that Canada is one of the great nations in that group. In a like manner Australia, New Zealand and South Africa also display the union jack in the upper corner of their own national flags. Surely Canada is not ashamed to be in that company. I know that we who fought with their fine men are honoured to share with them anything that will honour our country and theirs.

The emblem of the shield dates back to very ancient times. The couchant lion—or heraldic leopard—came to us from France, and was the emblem on the flag of William of Normandy. Ever since 1066, it has been incorporated in the heraldry of the British kings. The red lion rampant on the golden field is even more ancient, as it was the emblem of the Scottish kings and came to them from ancient Ireland, where it had arrived from the east about 580 B.C. However, it was also the family emblem of Brutus and Trojan, who founded the city of London about 1100 B.C. The harp emblem is equally ancient and was taken into Ireland by the Tuatha de Danain, the Danoi of the ancient Greek writers. The fleur-de-lis of the fourth quarter of the shield is well known as the lily of France, and held a proud place in the arms of the British kings from the time of Henry II down to the time of George III, proclaiming the French ancestry of the sovereigns from the distaff side of the house. Just about the time this emblem was removed from the royal arms, it began to appear in the heraldry of Canada and has been with us ever since.

It should be remembered that it was this emblem, not the tricolour, which came with the French settlers into this country long before the tricolour was used in France. I mention the emblems on the shield because it is my honest belief that not too many Canadians are familiar with these representations on the red ensign. The Canadian red ensign, therefore, symbolizes the main streams of history, with their common Christian heritage, which combined to produce the Canadian nation. Even the colours of the flag, red, white and blue, have a rich meaning. Yes, Mr. Speaker, the red symbolizes the blood of Christ shed for the remission of sins; the white represents the righteousness of the saints, and the blue, loyalty and dedication to service. What else would we want?

[Mr. Weichel.]

The establishment of the Canadian red ensign through history, tradition and custom, was formalized on September 5, 1945, when our Governor General signed an order in council P.C. 5888 which stated that:

> The red ensign with the shield of the coat of arms of Canada in the fly (hereinafter referred to as "The Canadian red ensign") may be flown from buildings owned or occupied by the federal government within or without Canada...and that it shall be appropriate to fly the Canadian red ensign within or without Canada wherever place or occasion may make it desirable to fly a distinctive Canadian flag.

I hope, Mr. Speaker, that I have given a very complete explanation of the Canadian red ensign. I hope that the Prime Minister will still give very serious consideration to withdrawing this resolution and giving every Canadian the privilege of voting for the flag of his or her choice. I still feel that such an important decision should not be left up to the members of parliament because, after all, such a vote could cause grave doubts in the minds of a great many citizens as to whether or not it represented the will of the people. These doubts could linger on for years and would remain a serious obstacle to the attainment of national unity.

Here, Mr. Speaker, is probably one of the most important parts of my speech. I say that when the Canadian red ensign design is examined dispassionately, without prejudice or unreasoned emotion, it can be seen that every desire of our multiple religious, racial and cultural background is answered. I realize that this flag is the cause of a great deal of controversy. It is such an important question that controversy, of course, is quite natural. However, when some people criticize the Royal Canadian Legion unfairly and say that organization is trying to run the government or is playing politics then I, as a member of this great organization since its inception, must bitterly protest such charges and statements. The cartoon in the Ottawa *Citizen* was grossly insulting to any legionnaire and I would say also to the Prime Minister. It is beyond my comprehension why the manager of this respected daily newspaper would allow some thoughtless, brainless guy to carry out such a cartoon. I have the cartoon here with me.

Mr. Winkler: May I ask the hon. member a question? Is he referring to Mr. Christopher Young?

Mr. Weichel: I do not know who the fellow is, but whoever he is I am letting him know what I think of him. This is the picture. I would say it is a terrible insult to every legionnaire, as well as to our Prime Minister. May I ask you, Mr. Speaker, does this contribute to unity in Canada, a picture like this? I should say not.

The Royal Canadian Legion, with its thousands of members, surely has the same right as any Canadian citizen to express an opinion in our democratic way of life. Yes, in case some people forget, let me remind them that these men and women, along with their comrades who paid the supreme sacrifice, carried the banner when our fine country was in need of their services. Let us not forget that. I as a disabled member, along with all members, can truthfully say that this organization has never played politics—

[*Translation*]

Mr. Caouette: Mr. Speaker, on a point of order—

[*Text*]

Mr. Weichel: Mr. Speaker, I would like to go ahead with my speech.

Mr. Deputy Speaker: Order. The hon. member for Villeneuve is rising on a point of order.

[*Translation*]

Mr. Caouette: Mr. Speaker, last night two Conservative members, namely the hon. member for Three Rivers (Mr. Balcer) and the hon. member for Joliette-L'Assomption-Montcalm (Mr. Pigeon), claimed that I was reading my speech whereas I was just consulting my notes.

I do not want to be mean but I notice that the hon. member who has the floor at present is reading his speech.

There is a provision in our standing orders which forbids the reading of a speech in the house and it is on that basis, not because the hon. member is a Conservative, that I insist that he speak without reading his text.

Mr. Deputy Speaker: Order. A similar point of order was made yesterday evening and, if I remember well, I pointed out to the hon. member who raised it that no provision of our standing orders forbids the reading of a speech in the house.

[*Text*]

Mr. Weichel: Mr. Speaker, I do not think there is any argument there at all. The Prime Minister and many others here have done this too. If I were 20 years younger I would try to do it without reading.

Mr. Herridge: Let him who is without sin cast the first stone.

Mr. Weichel: I might mention again that I, as a disabled member, along with all members can truthfully say that this organization has never played politics and has given no one the impression that it was trying to tell the government what it should do. Their big job has always been to work for the benefit of all the veterans, especially the disabled. Such efforts have been highly recognized by all broadminded Canadians, and I am sure the Legion does not want a pat on the back for doing what it is doing here. Its members, along with other veterans organizations, have done much in keeping Canada's security and unity at a high level.

To those who criticize this great organization in respect of the flag issue, may I bring to their attention the numerous community and international activities engaged in by the Royal Canadian Legion. We can think of the Netherlands pilgrimages, Legion sports for young and old and the conference of British commonwealth ex-service leagues. This group is continually working for the peace of the world, while we are sitting here trying to do our little bit too. It has been working for an increase in pensions for the amputees, the blind and the paraplegics, as well as for thousands of others. It has engaged in service bureau work and runs its poppy campaign, which is perhaps one of the greatest and outstanding efforts of these men in assisting veterans in need. If the government had to take over this work it would cost millions of dollars each year.

Then there is its community service, which should be recognized by all people in certain communities. It has programs ranging from physical fitness for our young people to low rental housing for the old. The Legion and its numerous branches across Canada has been establishing training camps and the success of these ventures, with competent coaches such as Mr. Dyson, has been outstanding. Then we have the junior Olympics, leadership, training, bursaries and—

Mr. Deputy Speaker: I hesitate to interrupt my hon. friend but I am sure he will recognize at this point that he is straying

considerably from the question at issue, and I suggest he may wish to return to the question which is now under consideration.

Mr. Weichel: Of course, Mr. Speaker, but this all comes from the criticism which the Legion has been receiving regarding the flag. I mention these services only to show the tremendous work which the Royal Canadian Legion is doing and has done for the welfare of thousands of Canadians. Its work, along with that of the war amputees of Canada, army, navy and air force association, Canadian corps association, Royal Canadian Air Force association, the Canadian navy association and others, has been tremendous.

These people who waste their time in order to criticize some of Canada's finest men should hang their heads in shame and thank God that we have men who, in time of need, gave their all for freedom of religion, freedom of speech, freedom of the press, ever ready and willing to make outstanding contributions for the betterment and welfare of our great Canada.

In closing may I say that these men in a democratic way, which is their right, have chosen to support the slogan favouring the royal Canadian ensign, "This is Canada's flag, keep it flying". My conscience tells me to support this solgan because thrice without hesitation our young men have fought under this flag and given their lives, and the best of their lives, for the righteous cause against the narrow nationalism of others. I am supporting the Leader of the Opposition in his amendment regarding the plebiscite.

Mr. John R. Matheson (Leeds): Mr. Speaker, I have been listening with keen interest to all the contributions this afternoon and I confess I was rather moved by the comments of my hon. friend, the member for Verdun (Mr. Mackasey).

As a young man he went to St. Patrick's school in Quebec and I went to the Protestant high school. We were mortal enemies in those days at football, hockey and such things, yet I am amazed in how many ways his views and mine tend now to parallel one another.

I recall that I was brought up next door to a boy two years younger than myself, a boy who was an orphan. His father had been killed serving as a field officer in the British Indian army, and our literary fare was Chums, Boys' Own Annual and the Waverley novels. I used to become irritated by this young fellow, almost to the point of desperation and whenever he was just at the point of getting a thrashing he would look up at me and say, "John, are you British?" He and I knew exactly what he meant because to us, sir, being British meant being generous, being valorous and being kind.

I hope in my comments this afternoon I will be as worthy as those who have preceded me in being just that. We can touch on this subject of flag only in the spirit of chivalry.

I know that in the retirement of the Canadian red ensign some people in this country will exult, and I know that some will weep. For my own part I will be one of those who will be misty eyed, as though witnessing the retirement of a good ship of the line; but I think it would be helpful to review in a very cursory way something of the history of the flags of Canada and particularly the flag which is now characterized as the Canadian red ensign.

I have before me, sir, the Canadian Almanac of 1896 and in it an expert of those days, E. M. Chadwick, wrote an article entitled, "The Canadian Flag". He was a well known geneologist, a Queen's counsel who wrote considerably on armourial matters, and he recommended as the flag of Canada a blue ensign, which some hon. members might care to look at later, which contained in the fly a white roundel charged with three red maple leaves conjoined. On the opposite side of the page—this appears on page 232, there is the badge of the Royal Military College club, which had been in active operation for some years.

Again you have in the arm of the knight the perennial three maple leaves on one stem. This is not just a curious coincidence. I discovered, looking at some of the books on coinage we have in the library, that in the reigns of Victoria, Edward VII, George V, George VI and Elizabeth II coinage was issued in gold, silver and copper bearing the device of the sprig of three maple leaves. This pattern apparently evolved long before any formal attention was paid to it by the college of heralds or any of the authorities. New Brunswick, in 1862, had a five cent piece composed in this fashion. There is a token of 1866 which was used as money in Montreal showing a beaver, and in the beaver's mouth is a sprig of three maple leaves. In short the development of Canadian symbolism referred to by the Prime Minister has had a long history. Indeed, he could have spoken much more extensively with respect to the various patriotic societies in Upper Canada and in Lower Canada—Quebec, as we know it today. The St. Jean Baptiste Society had early adopted this symbolism as its own. So also

had the Leinster regiment, the Royal Canadians, and also the native sons. It is natural that since these emblems had become popular over a long period of time they should at last become incorporated in formal grants of arms.

There are some who complain that this business of a new flag is a concession to the French. But the French are part of us. They are part of Canada—part of our family. In my household we have a lot of little people. In a family, every member is loved whether they are big or small, or young or old, and the interest and the anxieties of each member are important. The distress of one, as I see it —and I am trying to speak in the British sense—is the distress of all. Arthur Miller puts it this way. He says: "There are no unimportant tears". I do not think it is a concession to do what is just and what is kind. It is only by caring for one another and being joined together and being firmly rooted in this rich Canadian soil that our maple leaf family can survive.

Some hon. Members: Hear, hear.

Mr. Matheson: The red ensign, which is referred to as the red duster, is the most common flag in the world. I referred a moment ago to the article appearing in the *Canadian Almanac*. It would interest hon. members to know that as recently as 1962 Her Majesty's stationery office in England published a broadsheet called "Flags of the Commonwealth". As hon. gentlemen know, in the hierarchy of British flags there is an established precedence. There is the sovereign's standard—her own banner which flies over her residence; in England it would be Buckingham palace or Windsor castle or wherever she might be. Then there is the union flag. Then there is the white ensign of the royal navy. Then there is the blue ensign. Then there is the red peter or red duster, which is for the merchant service. What actually happened was this: in early colonial days on February 2, 1892 by admiralty warrant authority was reluctantly given for a defacement—that is the technical term; I am not being rude—of the red ensign to be used on board vessels registered in the dominion, and there soon followed provision for other colonial representation. As hon. members know, Australia and New Zealand have national flags each of which was adopted in 1901, one year before the peace which brought an end to the South African war. At the present time the commonwealth countries which are authorized to fly the blue peter charged with the badge of their territory as their national flag include Aden Colony, Antigua, Barbados Bahamas, Bermuda, British Guiana, British Honduras, British Solomon Islands, British Virgin Islands, Cayman Islands, Dominica, Falkland Islands, Federation of Rhodesia and Nyasaland, Fiji, Gambia, Gibraltar, Gilbert and Ellice Islands, Grenada, Hong Kong, Kenya, Mauritius, Montserrat, North Borneo, Northern Rhodesia, Nyasaland, St. Christopher-Nevis-Anguilla, St. Helena, St. Lucia, St. Vincent, Sarawak, Seychelles, Southern Rhodesia and Turks and Caicos Islands. This list is taken from the broadsheet to which I referred a few moments ago. Already, in 1964, it is somewhat out of date because changes are taking place fairly rapidly.

Today, the red ensign is, I say, the most common flag in the world. By the provisions of section 73 of the merchant shipping act of 1894, it is the sea flag for all ships and boats belonging to any British subject except Her Majesty. For her own ships, it would be blue; white, if belonging to the royal navy. As of 1961—and again I hesitate to be categoric, because the situation changes—some commonwealth merchant vessels including those of Canada, Australia, New Zealand, Cyprus, Somaliland, Western Samoa and Tanganyika territory, and of the British North Borneo Company, may, by admiralty warrant, fly the red ensign with the badge of the dominion, state, protectorate or trust territory in the fly, while all other colonial merchant vessels wear the red ensign free from any badge or distinctive mark. So if you come within hailing distance of the red duster and your telescope isn't working too well you should shout out the question asked of Jonah: "Whence comest thou? What is thy country and of what people art thou?"

I might add that various yacht clubs have permission to fly the red ensign defaced by the badges of their clubs, and, of course, this ensign is the house flag of a number of old British companies such as our Hudson's Bay Company, the one which comes first to mind. In addition to these British variations of the red ensign, there are approximately 48 other ensigns, jacks, national and state flags in the world which have red fields. About 18 of these have a device which occupies the upper left corner of the flag, while 16 others have a badge or device in the fly of the flag.

So, in a real sense, the red ensign is a sea flag which, however hard we may try, could not possibly be appropriated by ourselves, either by the order in council of 1945 or by

act of parliament as being the distinctive property of Canada. Our military routine orders of 1944 and order in council of 1945, were taken under the pressure and impetus of war and I do not think they can ever be regarded by reflective people as having effected any change in the traditional status of this flag of the sea. It is said that on one occasion Edward, Prince of Wales was somewhere near Admiralty Arch when he looked over toward Canada House and saw the red ensign. He is reported to have remarked: "I see the flag, but where is the ship?"

If we had followed the advice of a number of experts in Britain and in Canada in the early colonial period we would have ended up with a blue ensign charged with a roundel in the fly containing three red maple leaves and we would have thereby followed the pattern of other colonies such as Australia and New Zealand which established their flags and tended to confirm them in their proper purpose. Let us not overlook that the red ensign flies today in Australia and New Zealand, as well as in many other former colonies, but used correctly as their merchant sea flag.

Turning to consideration of the proposed flag of Canada, the one submitted by the government, I believe our flag must represent our country, our whole country, and nothing but our country. I refer respectfully to an address which was given by the Leader of the Opposition (Mr. Diefenbaker) when he was the hon. member for Lake Centre, on November 13, 1945. Speaking on a flag resolution, he said:

> In my opinion, any flag which is determined upon must embody two ideas: one, Canada as a nation with a distinctive flag; the other, Canada within the empire.

This view was, I think, tenable once, but it is no longer valid today when we note that 17 members of the commonwealth family by 1962 carried flags bearing no colonial insignia whatsoever. I believe that if this resolution is adopted and steps are taken to produce this flag, Canada will possess a banner of exquisite aesthetic quality already, in Shakespeare's words, "loaden with honour". It is a strange claim to make for a flag that has not yet been unfurled, but may I ask hon. members to listen to me as I give the house a number of instances that I have discovered which embody this precise flag emblem; that is, three maple leaves conjoined on one stem.

This emblem may be found in the arms of Ontario, granted by royal warrant on May 26, 1868. That was the grant by Queen Victoria. Hon. members will recall that in the arms of Ontario there are three gold leaves on a green field. The St. George's cross is an honourable augmentation and refers only to the past. The arms of Quebec, by the same royal warrant, was differenced by having three green leaves on a stem on a gold field. This was the old trick of the heralds of simply reversing metal and tincture to difference members of the same family. This left out one metal, silver—white, the noblest metal—and it left one remaining colour of a leaf in its natural state—red. I think we can only suppose that at an early stage when these achievements were determined for the provinces of Quebec and Ontario it was in the mind of the heraldic advisers at that time that there must be held in reserve for the nation Canada the combination of red leaves on white field.

Then the Great Seal of Canada, by the same royal warrant of 1868 embodies the two sets of three maple leaves of the two key founding provinces. Then we discover the amended crest of Baron Lisgar after he had accepted the appointment of second governor general for Canada. His earlier crest, as I recall, had a lion with a sword in its paw; the sword was struck off this second crest and in its place the lion held a sprig of three maple leaves. Then there is the badge of the Royal Military College club, Kingston to which I have already alluded, and firmly established by 1895. Then there is the Canada general service medal issued in 1899 for service in 1866-1870 in the Fenian raids and the Red river expedition.

Then we have the armorial bearings that were assigned to Sir Wilfrid Laurier by the royal college of heralds after Sir Wilfrid had become prime minister. This was obviously a new coat of arms that was struck for a Canadian prime minister, and he was given the insignia of three maple leaves on one stem on both his shield and his crest. This was apparently following the device given to a governor general several years earlier.

Then there was the crest of the Royal Military College granted by George V on September 16, 1920, the same perennial sprig of maple leaves. We come, I think, at last to the significant and important moment in history when there was heraldically speaking the fixing of the new flag of Canada. I have searched *Hansard*, but I do not think Canadians have ever really realized how much

work was carried out in connection with this matter by the committee established by Sir Robert Borden. At the conclusion of world war I it appears that a great many service people of military rank and experience had come back to Canada feeling that their own military insignia was somewhat deficient and lacked character and stability. Therefore a committee was set up by Sir Robert Borden, composed of Major General Willoughby, G. Gwatkin, who probably was the most knowledgeable man in this area, Thomas Mulvey, under secretary of state, Sir Joseph Pope, under secretary of state for external affairs, and Arthur G. Doughty, dominion archivist. There was also a Colonel Hamilton who helped these gentlemen in the capacity of secretary. These people—I want to point out "these people"—not just the college of heralds, worked at this matter for many months. I have read the correspondence involved and some of the proceedings. They thought this matter out very carefully, and as we look at the centre block of this parliament today and see the beauty of the heraldry there is in this building, in the entrances and porticos and elevator doors we can see the handiwork of a group of people who were looking a long way ahead. I hope Canadians will not think of this flag as being a creation of a government, because I do not think it is; I think it is the most honest search possible for what is distinctly and clearly and uniquely our own.

The arms of Canada were proclaimed by George V on November 21, 1921 at the request of the government headed by the Right Hon. Arthur Meighen pursuant to the recommendation of the arms committee set up by Sir Robert Borden's government on March 26, 1919. I ask you to note this, gentlemen, that a flag was flown on Confederation square in Ottawa to celebrate the royal visit of 1939. This flag was flown in a place of honour, and it showed three maple leaves conjoined on a white field. This was immediately prior to the war, and at this time Ottawa had this insignia emblazened up and down its streets. Some hon. members may care to look at the *Illustrated London News* of May 27, 1939, particularly pages 988 and 989, in this connection.

Then there was the Canadian active service force flag which was adopted by the war cabinet and militia council on December 7, 1939, as the battle flag for the commander, 1st Canadian division, and later presented to George VI. This is referred to, incidentally, in the last edition of "Flags of the World", edited by H. Gresham Carr. It is perhaps rather presumptuous for an author to say this, but he says in this book:

> After due consideration, the writer ventures to suggest that a flag similar to that designed for the Canadian active service force in 1939 might well be adopted as a new national flag.

This book dilates on the fact that our own system of flags has really fallen pretty much into disarray. In that flag there was a union jack in canton. This was included apparently because of the natural tradition and relationship of Canada to Great Britain and the fact that our forces were going to be in the United Kingdom for some period. Also on the flag, and to the right were the three traditional fleur-de-lis, which incidentally are also part of all British heraldry but the basic flag was three red maple leaves conjoined on a white field. Respecting the fleur-de-lis I think that having burned the Maid of Orleans in the 15th century and having discovered that she was such a saintly creature, the British thereafter did everything they could to appropriate her symbolism as their own.

Then there is the officers' hat badge of the Canadian Women's Army Corps, 1942; the Canadian Infantry Corps cap and collar badge, 1943-1951; the badge of No. 5 initial training school, R.C.A.F., 1943; the badge of H.M.C.S. *Donnacona*, being the naval division, Montreal. Then there is the Canada Medal, 1943. That had three maple leaves on one stem. There is the badge of the famous 405 R.C.A.F. fighter squadron, adopted in 1946; the ship's badge of H.M.C.S. *La Hulloise*, a frigate; the war service lapel button for military service during 1939-1945, adopted in 1946; the cap and collar badges of army officers on the general list below lieutenant-colonel, 1946; the Canadian Army badge, which I have been told was actually chosen by George VI himself in 1947. That badge consists of three maple leaves, two crossed swords and the crown. Then there is the Canadian forces decoration. A good many hon. members of the opposition who are not happy about this emblem that is being suggested wear the Canadian forces decoration.

Mr. Churchill: We like the emblem, but not as a flag.

Mr. Matheson: Mr. Speaker, I thank the hon. gentleman for his intervention. I respect the hon. gentleman; he is not only decorated but is a veteran of two wars. However, I would point out to him that flags are a specialized form of heraldry and when we are discussing flags and heraldry it is really the same subject. Unless a flag in some

respects conforms to tradition, we might as well follow, if you like, the republican ideas of some people and break with the past. For my part, I hope that will not happen.

Some hon. Members: Hear, hear.

Mr. Matheson: If my hon. friend would look at the Canadian forces decoration when he goes home tonight he will notice that it is a very beautiful medal, one of the finest we have ever struck. He will notice the three maple leaves conjoined on one side and a portrait of Elizabeth on the other. Then there is the Prince Edward Island regiment's cap and collar badges and button adopted in 1950; the Canadian general senior cap and collar badges and button adopted between 1955 and 1961; the revised emblazon—to answer the comments of the last speaker—of the arms of Canada as announced by the Hon. Ellen Fairclough, secretary of state, on October 8, 1957. I think it would be worth while if hon. gentlemen would take the trouble to read that announcement. Then we find the Canadian Guards cap badge and buttons of 1947. The button has the three maple leaves and around it the motto "A mari usque ad mare". The cap badge has three red maple leaves conjoined on a white field. The other evening the Prime Minister mentioned the beautiful illuminated version of the Canadian Bill of Rights of August 10, 1960, signed by the then prime minister, now the right hon. Leader of the Opposition. It displays not only the full armourial achievement, but under the styling the three red maple leaves conjoined just as they appear on the proposed flag, the same three red maple leaves as they appear on the history of world war II, the three volume edition of "Canadians Serving Overseas".

Then—and this is a pretty compelling argument, to me at least—on Her Majesty's personal royal banner as Queen of Canada there is featured the three red maple leaves on a white field, and this was created by Her Majesty on August 15, 1962. Actually the 1/42nd or the 1/48th part—depending on how you measure it—of the Canadian red ensign is the three red maple leaves on one stem. This incidentally is the only part of the ensign alluding to Canada.

Certain hon. gentlemen have suggested that we are dishonouring the past by trying to support this kind of recommendation. I would ask them as they leave the chamber at six o'clock tonight to go over to this rather famous statue of Sir John A. Macdonald to the east of the Senate entrance where they will find below the statue the emblazoning of the great seal of Canada in which this device appears in the position of honour twice. I would ask them also to examine question No. 1,449 asked of the former government, when under date of February 5, 1963 I was advised by a Conservative ministry that our national emblem was three maple leaves conjoined on one stem with the colours red and white, and this by royal proclamation.

Mr. Churchill: What royal proclamation is this?

Mr. Matheson: The royal proclamation was the proclamation to which I referred of November 21, 1921. This is really the juridical foundation of Canada's symbolism. There are two dates of very considerable consequence in our heraldry. There are the royal warrants of Victoria of 1868. Then we jump to the royal proclamation of 1921. But before 1868 and after 1921 there were many steps taken by military and civil authorities and by the college of heralds tending to confirm us in our use of symbolic devices.

Mr. Churchill: I do not like to interrupt, but the hon. member's speech is very informative, and I do this with the best of motives. In the royal proclamation of November 21, 1921, what colour was assigned to the maple leaves? Second, are the colours red and white designated therein as the colours for Canada?

Mr. Matheson: No. I thank the hon. gentleman for this useful and helpful intervention. I should have touched on this because it was referred to by the hon. member for Waterloo North (Mr. Weichel). The colours which were assigned to Canada in the proclamation of November 21, 1921 were the colours white and red. These were set out in two places, the wreath of the liveries and again in the mantelling. The shield itself consists of actually five components. At the top there are the quarterings, which are the Plantagenet lions of England—the lion rampant of Scotland, the harp of Ireland and fleur-de-lis of France, which I am happy this committee was wise enough to bring back into our heraldry, because it has been lost since the battle of Culloden, when both protagonists used the fleur-de-lis as part of their standards, both the Hanoverians and the Jacobites. This was brought back with great pride by the authorities in England. In the base, the position of honour or distinction for Canada, were three maple leaves on a

white field. Those maple leaves were painted green. The wording of the grant used the words proper, which in their heraldic sense mean "in their natural state". We are told that in its natural state a maple leaf could be green, gold or red.

With regard to green maple leaves on a white field, perhaps my hon. friend as a privy councillor has had that kind of shield in his office in the past. This shield was depicted in many of the earlier exemplifications as being green. Actually they can be found in the ceiling of the Senate chamber. But this was corrected in 1957. At that time I believe my hon. friend was a member of the government, and this was corrected in an announcement by Hon. Ellen Fairclough. This satisfied a lot of experts in this field who had been very much distressed that our arms did not conform, for instance, with the grant of the Canadian army badge, which was granted by King George VI in 1947. You will recall that the 1st division adopted a flag of three red leaves on white in 1939. It appeared clear to all those who were devotees of the heraldic arts that the pattern had to be white and red. You see this in the colours of the Royal Military College of course. You see them in the early medal ribbons to which I have referred of the 1899 period.

Mr. Churchill: Are the words actually in the proclamation though?

Mr. Matheson: The colours are set out as white and red. Perhaps my hon. friend would permit me to send him a copy of the material, because he might care to go into the corrections which were effected by Hon. Ellen Fairclough in her announcement. This was confirmed by the subsequent act of Her Majesty in her exemplification of her royal banner, which I have examined at the College of Arms in England and which has three red maple leaves on a white field in base. This was done in 1962, whether or not as a result of consultation with his government I do not know. I think it would simply be done on the basis of the heraldic instructions which had been received as a result of the royal proclamation.

May I call it five o'clock, Mr. Speaker.

The Acting Speaker (Mr. Batten): 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 and public bills.

Expansion of Social Security

SOCIAL SECURITY

SUGGESTED EXPANSION OF LEGISLATIVE PROGRAM

Mr. Stanley Knowles (Winnipeg North Centre) moved:

That, in the opinion of this house, the government should give immediate consideration, in consultation with the provinces, to the advisability of filling the major gaps in this country's social security program, including medicare, the provision of income maintenance during illness, pensions for widows dependant children, adequate survivors' benefits, and retirement pensions, when necessary, at sixty years of age, as well as to the advisability of improving legislation already in effect, so that Canada's social security system might be as complete and comprehensive as this country's economy now makes possible.

He said: Mr. Speaker, it is an interesting coincidence that at five o'clock on each of the days thus far that we have been debating a national flag for Canada, an item under private members' business regarding some measure of social security has come up for debate. On Monday we had a resolution having to do with the Disabled Persons Act. Yesterday we had a bill relating to the war veterans of world war I. Today we have this resolution of mine calling for some very definite steps forward in the whole field of social security.

In connection with the debate on the flag we are thinking about this country's future. Frequent references are made to getting ready for an adequate celebration of our 100th birthday three years from now. It seems to me that the terms of this resolution suggest a very specific and concrete way in which we might really try to grow up as a nation by the time we are 100 years old. I hope that whatever else we may do to celebrate our centenary we will make every effort to strengthen and improve our social security system so that it will be as complete and comprehensive as this country's economy now makes possible.

Mr. Basford: We will.

Mr. Knowles: Mr. Speaker, I have often made speeches in various parts of the country concerning the progress we have made in Canada in the field of social security, and it is one of the facts of our history that we have made some progress.

Mr. Basford: Under a Liberal government.

Mr. Knowles: Hon. members will not be surprised if I say to them that I have indicated with some pride the part that our predecessors, speaking for this party, and that some of us in this party, have played

in prodding whatever government has been in power to put social security legislation on the statute books. This country will never forget, and indeed it never should forget, the debt that it owes to my predecessor, the former member for Winnipeg North Centre, the late J. S. Woodsworth, for the part he played nearly 40 years ago in prodding the government of that day to place upon the statute books our first old age pension act. But, Mr. Speaker, even after we catalogue the things we have on our statute books that come under the heading of social security legislation, such as old age pensions, family allowances, pensions for the blind, pensions for the disabled, unemployment insurance, benefits of various kinds for our veterans—

Mr. Basford: All Liberal measures.

Mr. Knowles: —I want to say quite frankly that I do not think we really have very much to boast about. In terms of the affluence of our society, in terms of the amount of wealth we are capable of producing, in terms of what we can make available for certain kinds of projects, the speed with which we can raise money for war, if necessary, the way we can raise money for other projects—in the light of all that I submit we are really not doing very well in this terribly important human field, the field of social security. I urge very strongly, if we are concerned about our image as a nation in the eyes of the world, if we are concerned about having a country over which we can proudly fly whatever flag we choose, that we pay very serious attention to filling the gaps in our social security program and to improving the pieces of legislation we already have on the statute books.

In the resolution itself I refer specifically to some of the gaps. The first one I mention is medicare. It is only a couple of years ago, of course, that this was a very warm subject in one of the provinces of this country. Some people thought that the government of that province was away ahead of its time in what it was endeavouring to put on the statute books of that province, but in a matter of months medicare became a part of the platform of most of the political parties of this country. I suggest that we really will not be a civilized country, we will really not be showing concern for the country and for the human beings who make up our country, until we have a program of medicare for all citizens of this country. Just as it took participation by the federal government along with the provinces to get hospitalization on a nation-wide basis, so it will take participation by the federal government in a program of medicare if we are to get legislation of this kind for all our people.

Another gap that we must soon try to fill is that of providing income maintenance to persons who are unemployed because of illness. This has long been one of the main weaknesses in our unemployment insurance legislation, namely that when people are unemployed because of illness there is no unemployment insurance benefit for them. Oh, we improved the act a few years ago in one slight respect. We now provide that if a person becomes unemployed because there is no job for him, is healthy at the time, starts drawing his unemployment insurance benefits and later becomes ill, he can continue to draw his unemployment insurance benefits. But for those who are unable to go to work because of illness there is no general program for the maintenance of income. This is a very serious gap in our social security legislation.

The next two references in my resolution are to widows with dependant children and survivors generally. I welcome the fact that tomorrow we shall be considering the proposed amendment to the British North America Act, otherwise known as the constitution of Canada, under which we hope to be able to bring in the revised version of the Canada pension plan which will include, as we now understand it, provisions for widows of certain ages and widows with dependant children. This is good. We are glad to know we are moving in this direction. But even after we enact the proposals that have been placed before us in certain documents that have been laid on the table I suggest we will still have a long way to go.

Then there is the whole question of the age at which pensions are payable. At the moment the only age at which one can get an old age pension with no means test is 70. Under the new Canada pension plan it will be possible to get a pension at age 65 but for a great many people, particularly for women but also for many men, the fact remains that there are times when that pension is needed at age 60. I think we are going to have to consider this whole question in these terms. This is one of the areas that I feel should be receiving close attention. This is one of the gaps that needs to be filled.

Our unemployment insurance legislation needs to be overhauled. We have been assured that this is being considered, but like some other things under this slow moving

government we have, we seem to have to wait and wait and wait.

One of the phrases or slogans, Mr. Speaker, that is current these days is an interesting one, "The war on poverty". President Johnson of the United States has declared such a war on poverty in his country. It is a slogan, as I say, that many speakers both in and out of politics are using these days. It is a good phrase; it is capturing our imagination. It is my contention that we should do something about it, and that the place to begin a war on poverty is by filling in the gap in our social security legislation, by improving the social and economic position of those people who are suffering from the effects of poverty.

Most members are aware of the book that Michael Harrington wrote, entitled "The Other America", in which he pointed out the existence of poverty in that country. I have in my hand a pamphlet by Dwight Macdonald entitled, "Our Invisible Poor", which is more or less a summary of what Mr. Harrington set out in his book. Mr. Macdonald points out that it is Mr. Harrington's estimate that between 40 and 50 million people in the United States or about one quarter of the population of that country are now living in poverty. If that is the case in the United States, since in most respects the figures for Canada run about 10 per cent of those for the United States, it would follow that there could be between four million and five million Canadians who are living in poverty as defined by people like Michael Harrington and Dwight Macdonald, a definition which is accepted by President Johnson and by others.

Not long ago there appeared an interesting article in the Toronto *Daily Star*. It appeared in the issue of that paper dated Saturday, March 14, 1964. This article was entitled, "Canada: 3,000,000 Poor". The author is Dr. Albert Rose. I should like to read a few sentences from the paragraph preceding this article:

> How many poor people are there in Canada? One of the most respected social scientists in Canada, Dr. Albert Rose, professor of social work at the University of Toronto, said recently there may be 3,000,000 Canadians—as many as one out of six—who can't afford a minimum adequate standard of living.

Then, there follows the article by Dr. Rose. It is interesting that when he sets out the categories under which one finds these people who make up his estimate of three million poor Canadians, these are the categories: The unemployed, the disabled, widows or deserted mothers with dependant children, unmarried mothers with dependant children, children in the care of children's aid societies or institutions, blind persons and aged persons. This is a very interesting article which I commend to members generally. I should like to read just one paragraph:

> As yet in Canada, there has not been sufficient research to document the extent of poverty more clearly. A reasonable estimate might be that the "self-supporting poor" are at least twice as numerous as the group in dire poverty, at least 2,000,000 persons. Canada's "poor" population, then, may number a total of 3,000,000, as many as one in six persons.

This is a rather sad picture, Mr. Speaker, and it is significant we are called upon to face that fact for this hour during a day when we are debating the kind of flag we want to fly over our country. The other day my leader said that what was very important was the kind of country over which the flag would fly. It is not a very happy thought that any flag would fly over a country such as Canada in 1964 in which an outstanding social scientist could say there are three million poor, perhaps more. I urge that we make an attack on this problem of poverty at the point where poverty exists. We can do it by overhauling our social security legislation, by regarding this as a task that cannot wait. We are in an affluent society in some respects. The capacity for producing wealth is great. We have automation and we have cybernation.

There was an interesting suggestion made in Charlottetown the other day by David M. Winch, assistant professor of economics at the University of Alberta, when discussing the possible impact of automation on the economy. He said that perhaps the time has come to provide a minimum allowance for everyone to spread the income amongst all our people. The idea is gradually gaining some currency that the day will come when we may have to pay people for doing no work at all because the machines will have taken the work away from us. We may be paying people and encouraging them, in every possible way, to live in cultural ways and play their part in helping others.

The social legislation we have put on our statute books does record the progress we have made in 50 or 60 years, but compared with the needs of our people, compared with our capacity, we have only begun. To put some meaning into the whole effort to produce the kind of social security legislation which would make us proud, we have to do

a good deal more than we have up until the present time. Therefore, I present this resolution to the house and hope the house may see fit to let it come to a vote in this hour. I urge that this house approve of the proposition. If we are going to adopt a flag to fly over our country, let us have a country in which we have done everything we can for our people. We can do it if we will try to improve our social security legislation as I have suggested in this resolution.

Mr. J. C. Munro (Parliamentary Secretary to Minister of National Health and Welfare): Mr. Speaker, it was very interesting to listen to the comments of the hon. member for Winnipeg North Centre (Mr. Knowles), and particularly interesting to hear him refer to Mr. Harrington's book, "The Other America", or poverty in the United States. He mentioned that one of the ways of combating poverty was to overhaul our social security system.

I believe I can point out that the activities this government has undertaken in the last year have gone a considerable distance in this direction. The hon. member said something about a slow moving government, but when you consider what we have done in this period of a little over a year, perhaps the Canadian people will not think the government has been as slow as all that.

Mr. Knowles: I am all ears.

Mr. Munro: That is fine; I believe that, although the hon. member's speeches have been helpful on many occasions, it cannot be said the hon. member is any more innocent of contributing to delays in furthering legislation during the last year than any other hon. member in this house.

There was one thing in Mr. Harrington's book that the hon. member did not mention and which was his basic thesis, as I understood it after reading the book. It is true he said that social security in the United States had to be revised in order to get down to the economic underworld of the United States, as he termed it, but he also put tremendous emphasis on education.

The hon. member referred to the fact that in the United States, progressively with automation and the wealth and affluence of that society, fewer and fewer people would be indulging in extensive work and undertaking the hours of work which they do now. This is quite true and it is only through education that the problem can be coped with. Mr. Harrington pointed out that the United States primarily has to examine itself and its affluence to determine what share of that wealth must be directed towards educating its people, so that those people who, from generation to generation are becoming more enmeshed in the economic underworld and have no opportunity of breaking through, can be assisted. He stated that this can only be done by the federal government primarily undertaking a very extensive program of educating these masses, some 30 million to 50 million people, and further that this would require tremendous expenditures by the federal government.

Therefore overhauling the social security system is only one area that has to be tackled. I do not think it was ever suggested that overhauling the social security system in the United States would anywhere near cope with the real problem. If people do have more leisure time it is all right for those who have jobs, but for the people who have no work at all, he questions very seriously whether an overhaul of the social security system is going to do very much good unless it is accompanied hand in hand with a whole new outlook by the federal government towards education. I am talking not of academic or classical education but primarily of technical education.

I do not think social security should be regarded as all important in tackling this problem, especially in view of some of the gaps in social security programs which have been filled over the last year or so. In saying that, I do not mean at all to de-emphasize some of the gaps which the hon. member for Winnipeg North Centre (Mr. Knowles) pointed out, but I think a review of some of the things that have been done should be put on the record.

1. In the past year we have increased the amount of old age security. I am not suggesting that the government takes sole credit for this. Without the help of other groups in the house it could not have been passed, but it has been done. The amount has been increased by $10 a month for those people over 70 years, and this is certainly an improvement.

2. Blind persons allowances have also been increased by $10 a month.

[*Translation*]

Mr. Boutin: Would the hon. member allow me a question?

[*Text*]

Mr. Munro: Would you repeat that, please?

[*Translation*]

Mr. Boutin: The hon. member has just stated that his party has increased old age security benefits by $10 a month. Does he not think that in doing so, the government worked against the other classes of society, since it raised personal income tax by 1 per cent to help the aged? It imposed a burden on those workers who must pay for such assistance.

[*Text*]

Mr. Munro: Mr. Speaker, in reply to the question I would suggest that the funds necessary to pay this have to come from taxes in some form or another. There can be a great argument on economic grounds as to which is the most equitable way to raise these funds, and I think we must take into account that an increase in corporation taxes was levied in order to pay for old age security benefits. I do not know whether the hon. member has taken that into account.

In a period of little over a year we have increased the amount of old age security, and raised blind persons allowances.

3. We have increased disabled pensions by $10 a month.

4. The hon. member for Winnipeg North Centre referred to the Canada pension plan. With the implementation of this plan some of the most serious gaps are going to be filled, and I would point out to the house that the constitutional amendment necessary for the Canada pension plan will be brought before us tomorrow.

5. To a considerable extent this plan will help the widows with dependant children. and the orphans to which the hon. member referred.

6. I hope and understand it will also make some allowance for the hardship imposed by funeral costs, which many people find very onerous.

7. Further, the government has indicated it regards as a priority measure, and hopes to deal with it in this session, the extension of family allowances, which to some extent will contribute to the over-all cure that the hon. member for Winnipeg North Centre did not mention, but which is referred to in Harrington's book. This will at least give some encouragement to those of our children who want to go on to higher education.

8. There is also the question of interest free loans, which generally falls within this area, interest free loans for students who wish to acquire a higher education. Some of these measures I have mentioned have already been implemented. Others are regarded by the government as priority legislation for consideration at this session, and taken together they go a long way towards filling many of the gaps.

9. The hon. member mentioned, so far as welfare legislation is concerned, that pensions under the Canada pension plan will now be available at 65 years. This in itself goes a long way to fill in what undeniably is a serious gap. Therefore I think that the government and all the parties that have helped to pass this legislation can take some considerable pride in these measures.

10. Another point to which the hon. member referred was what he termed medicare. It is true that the Liberal party had health care in its program, and this will go a long way to alleviate the hardship of those Canadians who, because of low incomes or unemployment, cannot afford proper medical attention. This is part of our program which will be implemented. We are committed to implementing it.

Mr. Knowles: When?

Mr. Munro: The hon. member has been told that in answer to several questions. He knows about the royal commission on health services, and it would be foolish for the government not to await the findings of that commission and make an extensive study of them before bringing in proposals with respect to health care.

Mr. Knowles: That was the answer a year ago.

Mr. Munro: Then that must have been about the first question which the hon. member put to us when we assumed office. The commission was considering its report then. Is the hon. member suggesting that we should go ahead and bring in a detailed plan without taking into account the tremendous research that has been done by this royal commission? Surely he is not suggesting that? Surely it is sensible to study this report to find out how the recommendations which seem to be most feasible can be implemented? We are told that the time is not far off when this report will be made available, and we look forward to receiving it.

I would think that in the normal life of a parliament—and sooner if at all possible—if a medicare program can be brought down then it, taken in conjunction with the proposals already implemented by this parliament, and in conjunction with those which

the government indicates it considers as priorities, will fill many of the gaps in our social security system.

There are other areas that should be taken into account in such a review. There is our hospital legislation, and our veterans allowance legislation is currently under review. In that respect I suggest that we in the Liberal party cannot relax our efforts in furthering social welfare legislation. We do not deny that we need the help and assistance of those in other parties in this house who have advocated these measures for so long, but it would be a mistake to think that the true and sole concern for many of these people rests in any one group. I think this party has indicated its sincere concern for these people, and the government has a record of showing this concern. It has proved its concern, as the legislative records of this country will show.

There is one other area of activity with which the hon. member for Winnipeg North Centre will, I am sure, be familiar. I refer to the various welfare conferences which have been held under the direction of my hon. friend and colleague the Minister of National Health and Welfare (Miss LaMarsh) since this government took office. All the deputy ministers of welfare met here in Ottawa on February 14 and 15 and the meeting reconvened on May 28 and 29. Many proposals for an extensive review of our social security programs were considered at these meetings. These proposals are now receiving intensive study not only by the federal government but at provincial level. These arrangements are, of course, based on the acknowledgement that the provincial governments have extensive jurisdiction in this field and must be consulted. Thus, to say that we are slow in moving in this area is a harsh judgment indeed. We all know that in dealing with problems which go to the heart of the federal-provincial relationship, a number of meetings must be held before agreement can be established. One is dealing with various points of view which must, inevitably, be expressed by representatives of ten different provinces, and these things just cannot be done overnight. I think we can all be thoroughly satisfied, in the light of the conferences which have been held to date, that a sincere effort has been made to arrive at a consensus expressed by all the provinces, which consensus is necessary before proceeding with a review of our social security arrangements so as to fill some of the gaps

to which the hon. member has called our attention.

I will not continue any further. I would simply place on record, again, the fact that this government is carrying on the very activities which the hon. member for Winnipeg North Centre is recommending in his resolution.

[*Translation*]

Mr. L. J. Pigeon (Joliette-L'Assomption-Montcalm): Mr. Speaker, the remarks of the parliamentary secretary were not too encouraging. In my opinion, they were lacking in precision. The resolution introduced by the hon. member on my left is very important.

We would have liked to know from the government at what time the Prime Minister (Mr. Pearson) will announce to the house the convening of a federal-provincial conference to consider as soon as possible which steps should be taken for a complete overhaul of our social security program in order that part of the medical costs be paid jointly by the governments and that the latter increase the pension paid to widows with dependant children.

What is it waiting for to grant a pension to citizens 60 years of age? We would have liked the representative of the Minister of the National Health and Welfare to tell us what exactly the government proposes to do. It is very fine to speak of former action taken by the various governments in power, but it does not fill the present gaps in the social security field.

Mr. Speaker, Canada is, with the United States, one of the countries with the highest standard of living. We have the means and revenue to fill those gaps and rectify the unfair deal to the widows and people of 60 or more, who are not getting any pension now. The government spends fabulous sums for maintaining a Canadian force in Cyprus—and I am not against it—but, if we have the means to meet the whole cost of maintaining our troops in Cyprus, without its being defrayed by the United Nations as a whole, we also have enough revenue to pay those medical expenses.

I wonder why the government does not, as soon as possible, introduce some legislation providing at least a pension for the people of 60 and over. At this time, with automation, with our young people who have a trade, everybody knows that it is impossible for any Canadian citizen to find work after the age of 45. We have, in our statutes, no legislation to force private enterprise to give

employment to people of 45 and over, as is the case in New York state.

With regard to this matter, I think that the government imposes some restrictions with regard to the penitentiaries under federal jurisdiction by refusing employment to people over 45 years of age. Now, I think it is disgraceful to act like that.

We should see to it that our pension system is revised as soon as possible, even at this session, in order that persons who are 60 years old may receive their pension.

Mr. Speaker, I also think that medical expenses should be paid, partly, by the government. And our citizens should assume their responsibilities and part of the medical expenses, even if it is only a small amount, should be paid by the person being treated, so that it cannot be said that the government is paying for everything, is giving everything free, for we all know that nothing is free, and so that nobody can say: we do not have to pay. We know that whenever something is free, the poorer classes always pay through direct or indirect taxes.

Mr. Speaker, the social legislation put in our statute books by the various governments is fine but it does not go far enough and it would seem that our democracy is afraid to cross the threshold and adopt a measure providing for pensions at age 60. All hon. members say that each week end people come to ask their recommendation for a job. It is impossible to find employment for persons of 45 and over, even if they have a trade. In my opinion, it is the duty of the government to protect that class of citizens, to bring in legislation to correct such an injustice and to provide for the payment of a pension for all Canadians who have reached the age of 60.

Mr. Jean-Louis Frenette (Portneuf): Mr. Speaker, like the hon. member for Winnipeg North Centre (Mr. Knowles), I consider as a striking coincidence the fact that we should be considering this resolution right after this afternoon's debate on the adoption of a distinctive national flag. This reminds me of a remark one of my fellow citizens made to me last week. He seemed to feel that th government and the members of parliament were giving too much consideration to the adoption of a national flag and none at all to the improvement of the lot of the destitute and the needy.

We are all agreed with the hon. member who presented this notice of motion that it is absolutely necessary, and it is becoming more and more urgent, to revise completely our policy in regard to social security legislation.

We are noticing every day how some of our citizens are ill provided for, how they lack financial resources for various reasons and, unfortunately, they are still ignored by those who have the responsibility of legislating to bring relief to the misery of others.

The notice of motion covers, of course, a very large field and we could very well stray far away from social security measures, but I think we will shortly have the opportunity of considering fully a measure which will permit us to make some suggestions as to the best means to improve our social legislation. As a matter of fact, we are told that a motion will be introduced tomorrow to amend the Canadian constitution in a way which as we hope, will allow setting up a pension scheme beneficial to all Canadian citizens.

Mr. Speaker, we agree to discuss this item of social legislation, and it is no secret for anybody that the political group to which I belong has, since its inception I would say, vigorously advocated some improvement in our social legislation, more particularly with regard to the welfare of our older citizens, of those who have gone before us and made Canada the pleasant place we live in today.

For a long time, Social Credit has thought about improving the lot of those people and, at this stage, I would like to read a quotation to prove my argument. It is an excerpt from a manifesto of the Canadian Social Credit organization in the 1962 election. This is what it says:

> Social Credit believes that Canadians owe to their older citizens a better deal than the one they get today. Those people have built this country, working much more for less than any salary paid today. Moreover, those who have taken what, in their day, seemed to be a reasonable care of their old age, have been shamelessly robbed by price inflation. Canadians owe them a compensation for what the devaluation of the dollar robbed them of.
>
> In 1931, a worker was earning $1,100 a year, and an insurance policy of $5,000 meant a considerable amount of savings. Today, those $5,000 are hardly worth more than $2,650 and the income earned by any worker for 4½ years now represents his average salary for less than nine months.
>
> Older citizens in Canada have another cause for worry: the high cost of medical services and medicine at present is often beyond their means, yet they know that they will need them more and more in their later years.
>
> Even the monthly $75 pension granted like all the increased pensions, during an election year, is evidently inadequate to provide even a simple standard of living to those who, through hard work, have built the country that permits us to make a living today, and that gives us good earnings—provided you are employed—for much less work than in bygone days.

Canada could also afford to pay a pension to people aged 65 years or more who do not work full time, and to grant them medical care. The aims of Social Credit, as concerns assistance to the aged, would be:

1. An insurance plan for medical care paid by the government to any person over 65 years of age.
2. The qualifying age for old age pension would be lowered to 65 years for all those whose yearly income is below the income tax exemption level.
3. The pension rate for aged people would be increased.

Mr. Speaker, this proves to hon. members that our group has always been concerned with social legislation.

Also, as the hon. member said in his notice of motion, amendments should be provided in the legislation granting a pension to disabled persons or to others affected by some ailment and condemned to remain inactive.

Here, I would like to recall, in a few words, an intervention, which I found particularly clever, from the hon. member for Berthier-Maskinongé-Delanaudière (Mr. Paul) on Monday last, when he said, as mentioned on page 4317 of *Hansard*:

Mr. Speaker, I feel the government should make the necessary changes to broaden the scope of the act or to make its benefits more readily available because, as I said a while ago, it often happens that a person who suffers from diabetes, asthma or heart trouble cannot qualify for a pension under the Disabled Persons Act.

Mr. Speaker, it seems that this matter of amending our social legislation meets with unanimous approval, and I am a little disappointed—not that I want to blame anyone —to see the small number of members in the house to discuss as important a matter as the one which is now under consideration. I am often absent myself, but I sincerely believe that if all hon. members wanted to make the effort, they could take more interest in the study of such matters. Then they would be more justified, during election campaigns, to talk at length about that matter and even to use in a most deplorable demagogic manner other people's miseries.

Mr. Speaker, we are lucky to live in such a rich country as Canada and I think that it would be an insult to the Creator and to Providence if we were unable to organize in order to take advantage of the many resources which were given to us.

I have here a comparative table of the salaries paid to workmen in various countries of the world. I know that this comparison is somewhat unsatisfactory, but I think that the salary level nevertheless gives a rather accurate idea of the standards of living which exist in those various countries. I see that Canada is second, with an average salary of $1.89 an hour; this brings me to make a comparison with some measures of social security now in effect in other countries much less favoured than ours. Like the hon. member for Winnipeg North Centre I feel that it is urgent to act, instead of just talking and using the question for political purposes.

A few weeks ago, the Gospel reminded us of the parable of the lost sheep, in which we see that the good shepherd, when he realizes that one of his sheep is missing, must leave the others to go and look for the one which needs his care.

That parable, I think, could inspire those who are governing us and remind them that it is not really the people who have everything from the point of view of wealth and security that they should be worried about, but those who are in want, although not necessarily poverty striken, and who are quite unable to meet the requirements imposed upon them by their responsibilities.

We should help the poor and the needy a great deal more. The hon. member for Winnipeg North Centre (Mr. Knowles) referred a while ago to the figure of about $3 million. In my opinion, that is an eloquent figure which deserves our attention in view of its importance.

A while ago, the hon. member for Dorchester (Mr. Boutin) asked the parliamentary secretary to the Minister of National Health and Welfare (Mr. Munro) if he was taking into account the increase in income tax compared with the increase in old age pensions, the pensions to the blind and others. I noted that the hon. member did not try too hard to give a better answer than was necessary. This leads me to ask the following question: If the Canadian parliament were not called upon to pay today, merely in interest, an amount of a billion dollars a year, would it not be easier then to establish social welfare legislation which would protect our fellow citizens from difficulties.

I conclude my remarks by leaving this thought to hon. members' meditation. Let us try to find a means to eliminate this huge interest of approximately a billion dollars and then distribute this same amount, according to need, to those who are now living in insecurity and poverty.

I hope earnestly that this notice of motion will come to a vote, so that we can be aware of those who really want to ensure the welfare of their fellow citizens and who have a real sense of responsibility as the people's representatives.

Mr. Pierre-André Boutin (Dorchester): Mr. Speaker, of the five minutes remaining for the discussion of this notice of motion, I shall take only three, so that in the last two minutes, we may bring to a vote the resolution introduced by the hon. member for Winnipeg North Centre (Mr. Knowles).

For many years, Social Credit has been advocating the principle contained in this motion. As a matter of fact, it says that consideration should be given to reducing the age of old age pensioners to 60. I feel that legislation to this end could be enacted by the present government even this year, if it introduced a measure designed to pay old age pensions as from 60 years of age.

However, in order to ensure the security of a certain class of society we should not, as a result, increase the insecurity of other classes of society in this country. This is somewhat related to the question I directed earlier to the parliamentary secretary to the minister, namely that if the old age security pension is increased, the government by the same token, and we had that evidence not very long ago, increases the insecurity of another class of society, since in the same piece of legislation a 1 per cent increase in the personal income tax was also introduced.

With the present system, I wonder where all this will lead us to if, in order to get elected, political parties advocate a further increase in social security.

Under the present system, we know, and the Liberal party has proved it, that by increasing security, insecurity becomes greater by the same token.

Would it not be more advisable for the government to consider looking elsewhere to obtain the necessary funds to pay for that security.

As the hon. member for Portneuf (Mr. Frenette) said earlier, if only the interest paid on the national debt were used and made available to the Canadian people to pay social security, we would then have enough funds to increase and even double family allowances throughout Canada.

We are not asking the government to double family allowances, but to distribute the amount we pay in interest on the debt of Canada on security measures for all Canadian citizens. And this somewhat follows the proposal made by the hon. member who introduced this motion, that is, the advisability of improving legislation already in effect. In order to improve our social security legislation according to the economy of the country—surely, resources are not lacking in Canada—all we have to know is how to organize our economy in order to develop those resources so that every Canadian can be given more security.

Here, I would point out that the federal government raised the old age pension by $10 last fall, but surely, it is not the old people in the province of Quebec who benefited from that, because Mr. Lesage, with his regime of grandeur, managed to cut by $10 a certain security given to the aged. Therefore, they are still getting the same amount of $75 they were receiving before the $10 increase given by the federal government.

I leave the last two minutes to the house so that we can take the vote.

[*Text*]

Mr. Lloyd Francis (Carleton): Mr. Speaker, in the little time which remains I should like to say a few words on the motion. Just over 20 years ago the late Lord Beveridge published a report on social insurance and allied services. At that time he put forward a minimum standard of security, and I know that the hon. member who has introduced this motion has worked carefully towards this since that time. But there has been a shift in our thinking and in our objectives in our approach to the problem. The terms of the motion provide a major income maintenance program, such as pensions for widows with dependant children, survivors benefits, retirement pensions, etc. This is a requirement of a major attack on poverty. That is the inference which I draw from the remarks of the hon. member, which were at a very high level. There was no reference to meeting the problems of constitutional adjustment or negotiation with the provinces, although there is reference to it in the resolution.

The problem of a government which is responsible for the implementation of legislation is one of priority. I have listened in this house, Mr. Speaker, to priorities which have been urged by the hon. member. On one occasion it is t.b. and mental institutions. On another occasion it is the improvement of disability programs. On another occasion it is the problem of housing. All of these are highly desirable, Mr. Speaker. But the government of the day have certain basic objectives in mind. The first and foremost objective is a high level of employment, productivity and income. The second objective is a national measure of the distribution of the results of the productivity of the economy. This calls to mind the unfortunate fact that to do this

we have to raise taxes, and the level of taxation and the means of raising more taxes suggests that these priorities have to be followed, and everything cannot be done at once.

The Acting Speaker (Mr. Batten): Order. The hour appointed for the consideration of private members' business has expired.

BUSINESS OF THE HOUSE

Mr. Churchill: Might I ask the acting house leader what is the business for tomorrow and Friday, and if he can forecast the business for Monday as well it would be helpful.

Mr. MacNaught: Mr. Speaker, tomorrow we will be considering the address in relation to the constitutional amendment. When that is finished, whatever time remains this week will be taken up with the debate going on prior to five o'clock. On Monday we will be, as far as I know at this moment, continuing with the flag debate.

Mr. Knowles: Unless it is carried before that.

Mr. MacNaught: I hope so. I hope I will be mistaken.

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

APPENDIX "A"

REPORT BY EXTERNAL AFFAIRS MINISTER ON GENEVA TRADE CONFERENCE

Hon. Paul Martin (Secretary of State for External Affairs): Mr. Speaker, I know that the house would wish me to report on the results of the UN conference on trade and development which met in Geneva over the past twelve weeks and which ended yesterday.

The house will recall that this conference was called to consider how trade can play a greater part in the economic development of the less developed countries. If the pace of development in these countries is to gather sufficient momentum, they will need to increase their imports of capital goods and raw materials. These growing import requirements must be financed in large measure from their own export earnings. In actual fact, the less developed countries have experienced a continuing decline in their share of world trade and their export earnings have not provided them with resources commensurate with their import needs. It was to these problems that representatives of 119 countries addressed themselves in Geneva. I attended the opening ministerial session of this conference, and the statement which I made to the conference outlining the Canadian position on the issues involved has been tabled in the house.

The house will appreciate that these are complex and difficult problems for which solutions cannot be evolved at a single conference. What the conference has been able to do is to create greater understanding of the fundamental issues involved and to chart the course for future progress. A number of key issues emerged during the conference. One of these was the problem of how less developed countries could increase their export earnings from trade in primary commodities. Most of these countries are still dependent on a narrow range of commodities for a very large proportion of their export earnings. The conference has recommended a program of action designed to improve the terms of access to world markets for these products. It also agreed that new efforts must be made to arrive at international arrangements which would assure producers of primary commodities a more dependable source of export income.

Of course, as the house is aware, even the most effective international arrangements may not be able to eliminate all fluctuations of commodity prices. Such fluctuations can disrupt development plans which, in the nature of things, must be based on longer term expectations of foreign exchange earnings. To help ensure that these plans can go forward without disruption, the world bank has been asked to study how these difficulties might be alleviated through new types of multilateral assistance.

The conference recognized that, however much the prospects for their traditional exports are improved, the less developed countries would come to depend increasingly on exports of the products of their new industries. This underlines the need for reductions in the barriers to world trade being made on a basis which will afford these countries the fullest possible opportunity of expanding their industrial exports. In the Kennedy round of tariff negotiations coming up in the GATT, industrialized countries will be expected to ensure that products of interest to the less developed countries are included within the scope of the negotiations without expecting full reciprocity from the less developed countries for benefits they may derive from these negotiations. As far as Canada is concerned, the likelihood of market disruption from imports of the less developed countries' manufactured goods would be lessened if there were freer access for these goods in the markets of the industrialized countries generally. There was, however, a difference of view on whether the industrialized countries should also grant tariff preferences to the less developed countries for their exports of manufactures. This difference was not resolved and the secretary general of the United Nations has been asked to arrange for further study of this difficult issue.

The conference acknowledged that, whatever part was played by trade, the international community would have to continue to support by means of aid the efforts of the less developed countries to accelerate their rates of growth. As the house is aware, the target of the current United Nations development decade is to enable these countries to achieve a minimum annual rate of growth of 5 per cent by 1970. In view of the rapid population

increases in these countries, however, even a 5 per cent growth rate would not allow any real narrowing of the gap that now separates their standards of living from those of the advanced countries. The conference recognized that a responsibility in narrowing this gap remained with the developing countries. It also recommended measures that the international community should undertake to aid the development of the less developed countries and in this regard it recommended that each developed country endeavour, within the measure of its capability, to achieve a level of assistance that would come as close as possible to 1 per cent of its national income. The special position of capital importing countries was, however, recognized. The house may be sure that the government will give careful study to the implications of this recommendation in the light of the action which we have already taken to make substantial increases in the Canadian external aid program during the current fiscal year.

The conference also reached agreement that there should be new institutional machinery within the United Nations to carry forward the work begun at Geneva and to bring into focus the problems of trade as they affect economic development. The general assembly of the United Nations at its next session will be asked to endorse the holding of similar conferences on a regular basis and the establishment of a new trade and development board. The house will be pleased to learn that Canada, as a major trading nation, is assured of a continuing place on the new board, where it will have continuing opportunities to help find solutions to the trade problems of the developing countries with a proper regard for the interests of other countries with more developed economies.

Mr. Speaker, the Canadian government has played a positive and constructive role in this conference. As the house is aware there had been concern, for a time, that the conference might not be able to achieve agreement on the means of dealing effectively with the issues before it. I am glad to be able to say that, in a spirit of accommodation and realism on the part of all concerned, agreement on a very wide front was achieved in the final days and hours of the conference. This, Mr. Speaker, is a good augury for the further endeavours which all countries will have to make in attacking the problem of underdevelopment. In this task the less developed countries recognize that theirs is the primary responsibility. If, however, their own efforts are to be effective they must be supplemented and supported by constructive international action. I can assure the house that, for its part, the government will study the results of the conference in that spirit and will continue to co-operate fully in further international efforts to create conditions in which the less developed countries can participate more fully in the benefits of world trade.

I would not wish to conclude my statement without paying particular tribute to Mr. Dana Wilgress, the leader of the Canadian delegation, who brought his wide experience and great understanding to bear upon the issues facing the conference and who, I know, was in no small part responsible for the success which has attended its deliberations.

HOUSE OF COMMONS

Thursday, June 18, 1964

The house met at 2.30 p.m.

PRIVILEGE

MR. NUGENT—MOTION FOR REFERENCE TO COMMITTEE OF NEWSPAPER EDITORIAL

Mr. Terry Nugent (Edmonton-Strathcona): Mr. Speaker, I rise on a question of privilege affecting all hon. members of the house. It arises out of an editorial in the Ottawa *Citizen* of yesterday, Wednesday, June 17 headed "The End of the Affair" dealing with the report of the standing committee on privileges and elections.

The report of that committee is printed in *Votes and Proceedings* of Monday, June 15. The essence of that report is contained in paragraph 5 and the following paragraph which say there is no evidence of bribery or attempted bribery, and no question of privilege. As a member of that committee I feel that the deliberate misconstruing of that report by this editorial writer cannot go unchallenged.

The first sentence of the editorial says in part:

> When Mr. Gérard Girouard, the Social Credit-turned Conservative M.P., accused the director of the Liberal party of trying to bribe him into joining the government side—

That is a deliberate lie by the editorial writer. There never was any such statement made by the hon. member for Labelle, and in fact throughout the hearings of that committee the hon. member for Labelle himself said there was no attempt to bribe him. The house will remember that when the hon. member for Labelle rose on his question of privilege on April 27, as recorded at page 2583 of *Hansard* he said:

> The benefits: a party in power and a fat electoral fund for the next election.

The only suggestion that there had been a bribe offered was the statement by the hon. member for Winnipeg North Centre (Mr. Knowles) in this house on April 28, when he rose on a question of privilege concerning this matter and said, as recorded at page 2645 of *Hansard*:

> I submit, Mr. Speaker, that the member for Labelle has alleged in this house that he was offered a bribe, that he was offered certain advantages if he would take a certain position in this House of Commons.

The only suggestion of bribery which was made by anyone was that statement by the hon. member for Winnipeg North Centre. The statement made by the editorial writer is therefore completely and directly contrary to the facts, and since the hon. member for Labelle himself denied there was any attempted bribery it is obvious that the editorial writer is deliberately lying when he makes this accusation against that hon. member.

Further, Mr. Speaker, there appears this sentence in the editorial: "Thus, Mr. Davey is vindicated". The house will recall that the hon. member for Labelle rose on a question of privilege because he had been termed by Mr. Davey a "Liberal reject". The committee in considering this whole matter spent a considerable length of time examining the question and the evidence as to whether the hon. member for Labelle had in fact tried to join the Liberal party or had in fact been rejected. The report of the committee makes no reference whatsoever to Mr. Davey's charge. Mr. Davey was by no means vindicated by the report of that committee, so this is the second deliberate lie by the writer of the editorial.

That is not the only objectionable part of the editorial, because the writer then goes on to make allegations against an hon. member of this house which can only be called scurrilous. I will read the rest of the editorial so that hon. members may fully understand the slanderous imputation which this editorial writer makes so falsely against a member of this house. the last two paragraphs read as follows:

> We are left with Mr. Girouard, and a nasty precedent. Parliamentary privilege is absolute, and no legal action can lie against a member who makes an accusation that would be held defamatory if it were made in another place. But privilege implies responsibility. And the "honourable members," as they love to call themselves—

And I would just point out that "honourable members" is put in quotation marks

> —must be careful not to defame without justification individuals outside the house who do not share their legal immunity.
>
> If Mr. Girouard can escape this incident without censure, there will be a temptation for unscrupulous members to think that it is worth making any reckless accusation against a political enemy.

Even if the charge is eventually disproven, there is always the chance that a bit of mud will stick. Someone in the house who shares Mr. Girouard's immunity ought to express the indignation of those members who are honourable in fact as well as by usage.

In my opinion the use of the words "honourable members" in quotation marks followed by "as they love to call themselves" is more than a slight against the hon. member for Labelle; it is a sneering imputation that members of this house are not fully entitled to such an appellation. Further, sir, the sentence "If Mr. Girouard can escape this incident without censure there will be a temptation for unscrupulous members to think that it is worth making any reckless accusation against a political enemy" contains more than a suggestion that there are unscrupulous members in this house. There is also an implied accusation that the committee on privileges and elections failed to do its duty with regard to this reference. Finally, Mr. Speaker, the phrase "the indignation of those members who are honourable in fact as well as by usage" is a clear allegation that not all members of this house are honourable.

Seldom if ever have members of parliament who conscientiously try to do their duty been subjected to such a scurrilous and unfounded attack as this writer makes upon the hon. member for Labelle. I cannot conceive that any member of this house would allow such wholesale attacks on all hon. members as these slanderous inferences constitute. I believe that newspaper editorial writers have a responsibility for at least quoting their facts accurately. They should have at least some regard for fairness. We as members of parliament must protect the position of members of this house as honourable members or fail utterly in our responsibility to those positions.

Therefore I move, seconded by the hon. member for Northwest Territories (Mr. Rhéaume):

That this editorial be referred to the committee on privileges and elections so that the editorial writer and/or the editor of the paper responsible for this editorial may be given an opportunity to appear before that committee to explain their conduct and for the committee to report back to this house their recommendations as to what action should be taken in this regard.

I have the newspaper, and I will table it.

Mr. Speaker: Are there other hon. members who would like to give some guidance to the Chair?

Mr. Eldon M. Woolliams (Bow River): Mr. Speaker, I would just like to speak on the motion for a moment. In reference to the irresponsible editor and the editorial I would just like to read from the sworn testimony on page 51 of the proceedings of the committee on privileges and elections. This is what the hon. member said—

Mr. Speaker: Order, please. I do not think this is the time for an extended debate. The question is, have other hon. members in this house any advice to tender to the Chair so I may reach a decision as to whether this motion is in order and should be put to the house.

Mr. Woolliams: I am speaking to the motion, Mr. Speaker. Surely it is material to the motion to point out what are the facts. The hon. member said:

I explained the facts in the house. If any of you wish to have further details with regard to the interpretation that may be given to my statement, I will be happy to supply you with them.

And this is what he said:

I am not accusing anyone of anything. I have repeated facts and words in order to clear myself of the accusation made against me.

Those words which he refers to as having been said in the house on April 27, 1964 were "the benefits of the party in power and a fat electoral fund for the next election". So I say, Mr. Speaker, that the editorial was most irresponsible, and I therefore rise in support of the motion in question.

Mr. D. M. Fisher (Port Arthur): Mr. Speaker, after the experience we had with this particular case before the committee on privileges and elections I think it would be most regrettable if this motion were accepted by you. I would like to point out that the report has not been concurred in, and we have an undertaking from the chairman of the committee that concurrence will be moved. This will provide an opportunity for debate; it will open up a chance for all hon. members to have their say. I thought it was a pitiful editorial and most unfair, but I do not see how this particular action can really do much about setting it right. If we wanted to, I think any member of the house could take exception on almost any day to some editorial somewhere in connection with our role as members of parliament and how we carry out our duties.

I would like to point out to you, sir, that we will have the chance for a full debate. I know the hon. member for Lapointe (Mr. Grégoire) and others of us who were on the committee certainly intend to take that

opportunity to point out one of the implications from our hearings that was touched on by the editorial writer. I suggest that there would be a duplication in accepting this motion and at the same time having the debate on concurrence. I think everything could be fully aired then.

[*Translation*]

Mr. Gilles Grégoire (Lapointe): As the hon. member for Port Arthur (Mr. Fisher) just said, Mr. Speaker, I think we shall have an opportunity to give our impressions on what went on at the meetings of the committee when we will be asked to approve its report.

However, contrary to what the hon. member for Port Arthur and others before him stated, I do not think the editorial was as irresponsible as all that. Personally, I feel the proceedings of the committee left us quite sceptical about the value of such a committee.

Some hon. members contributed to conceal the truth or to have it concealed, and members of the committee completely washed their hands of the matter submitted to them. However, we shall have the opportunity to discuss this matter further when concurrence in this report will be moved. At that time we shall give our impression, which is far from favourable, about the work done by this committee and the results achieved.

I have not read the editorial in question, but according to what the hon. member who moved the motion said about it, I believe that the editor's remarks are rather justified.

[*Text*]

Hon. G. J. McIlraith (President of the Privy Council): Mr. Speaker, when the report was tabled two days ago it became a public document. The editorial quoted by the hon. member for Edmonton-Strathcona was comment on that public document. The main part of the hon. member's argument, I respectfully submit, was irrelevant and ought not to have been received because it was an attempt to review the evidence given in committee. It has been indicated that the committee report will be put before the house by way of a motion for concurrence, and then can be debated. Therefore that part of the hon. member's remarks should not have been received, since they were an attempt to anticipate that debate.

The latter part of his remarks were an expression of his opinion as to the editorial, and the assertion of the view that the editorial was irresponsible. Irresponsibility of editorials is no part of the concern of this house. Surely the argument that in his view an editorial writer wos irresponsible cannot be put forward as the basis for a motion on the ground of breach of privilege of the hon. members of this house. The question of the responsibility or irresponsibility of editorial writings is completely irrelevant to the motion made. The fact that the hon. member does not like the editorial is quite his privilege. Others may like it.

The point here surely must be that the hon. member must make a prima facie case that the privileges of an hon. member have been breached. That case has not been made, and has not been argued by the hon. member beyond the mere assertion that, because of the irresponsibility, that result follows. Unless he can show some improper reflection on the personal character of an hon. member and separate that from mere comment on a public document as a public proceeding in this house, then the case must fail.

For that reason, Mr. Speaker, I respectfully suggest that no question of privilege has been raised that should call for a motion to refer the editorial to the committee.

Mr. L. T. Pennell (Brant-Haldimand): Mr. Speaker, I rise only for the purpose of confirming and endorsing what has been said by the hon. member for Port Arthur. May I respectfully point out that the press were present during the hearings and heard all the evidence. The report of the committee having been delivered, it seems to me, with the greatest of respect, that the press can now make what they deem to be fair comment. The motion for concurrence is now on the order paper, and the same opportunity to comment will be accorded every hon. member of the house in due course when the motion for concurrence is moved.

Mr. Speaker: If there is no other comment it is my duty and obligation to find whether a prima facie case of privilege has been made out, and I wish to thank all hon. members who have spoken for giving me their advice.

Members may recall that only eight days ago, on Wednesday, June 10, I had occasion to give a long dissertation on a question of privilege, and perhaps I could refer to a few citations quoted therein. The first was Beauchesne's fourth edition, citation 104, paragraph 5, which is as follows:

> As a motion taken at the time for matters of privilege is thereby given precedence over the prearranged program of public business, the Speaker requires to be satisfied, both that there is a prima facie case that a breach of privilege

has been committed, and also that the matter is being raised at the earliest opportunity.

These references are to be found at page 4140 of *Hansard* and, of course, in the original texts. Later on I referred to Abraham and Hawtrey, page 40, which says:

> To constitute a breach of privilege a statement reflecting on the conduct of a member in his capacity as a member need not be untrue but it must tend to lower the house in the eyes of the public.

Then again, Bourinot's third edition page 152:

> To constitute a breach of privilege such libels must concern the character or conduct of members in that capacity.

Then Beauchesne's fourth edition, citation 104, paragraph 2:

> It has often been laid down that the Speaker's function in ruling on a claim of breach of privilege does not extend to deciding the question of substance whether a breach of privilege has in fact been committed—a question which can only be decided by the house itself.

Lastly, Abraham and Hawtrey at page 41:

> If the Speaker decides that the member has made out a prima facie case, the member must make some motion in reference to the matter. He usually moves that the matter of the complaint be referred to the committee on privileges...

I have had the advantage of reading the editorial in question and I have a copy in front of me. It seems to me that if this editorial referred in general terms to members of parliament none of us, I suppose, would be so thin skinned that we could not accept some rather healthy criticism, but this editorial does cite the name of one hon. member once or twice, together with someone who is not a member. In other words it focuses attention on a certain member, and to that degree in a not very favourable light.

It seems to me it is my duty to determine, first of all, whether there is a prima facie case, and whether it has been raised at the earliest opportunity. On the second point, this is the earliest opportunity. As to the first point, it is for the house to decide whether there is a breach of privilege but it is for me to decide whether there is a prima facie case, and in my opinion there is.

Mr. Nugent moves, seconded by Mr. Rhéaume:

> That this editorial be referred to the committee on privileges and elections so that the editorial writer and/or the editor of the paper responsible for this editorial may be given an opportunity to appear before that committee to explain their conduct and for the committee to report back to this house their recommendations as to what action should be taken in this regard.

[Mr. Speaker.]

The question will, I hope, be decided by the house. Is it the pleasure of the house to adopt the said motion?

Mr. Fisher: Mr. Speaker, I want to argue against this motion.

Some hon. Members: No.

Mr. Fisher: I can certainly put my views forward. This is now a debatable motion. I want to argue against accepting the motion, and I want to make my reasons quite clear. I agree that the editorial is very scurrilous, but I want to point out to hon. members that there is implicit in what has already taken place in this matter, particularly with regard to the hon. member who is impugned by the editorial, a contradiction in relation to the evidence submitted to the committee between the evidence given by that hon. member and that of another hon. member.

I do not see how we can possibly deal sensibly with the issue brought forward on the question of privilege until this house as a whole has decided on this other fundamental point which I suggest lies right at the heart of that matter and at the heart of this comment. For that reason I put it to the house that we should not accept this motion.

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

Some hon. Members: Yes.

Some hon. Members: No.

Mr. Speaker: Those in favour will please say yea.

Some hon. Members: Yea.

Mr. Speaker: Those against please say nay.

Some hon. Members: Nay.

Mr. Speaker: In my opinion the nays have it.

And more than five members having risen:

Mr. Speaker: Call in the members.

The house divided on the motion (Mr. Nugent) which was negatived on the following division:

YEAS

Messrs:

Aiken	Chapdelaine
Alkenbrack	Chatterton
Baldwin	Churchill
Beaulé	Cooper
Bélanger	Côté (Chicoutimi)
Bell	Crouse
Boutin	Danforth
Cadieu (Meadow Lake)	Diefenbaker
Caouette	Dionne

Doucette	Monteith
Enns	More
Fairweather	Muir (Cape Breton
Flemming (Victoria-Carleton)	North and Victoria)
Forbes	Muir (Lisgar)
Frenette	Nasserden
Gauthier	Nesbitt
Grafftey	Noble
Grégoire	Nowlan
Gundlock	Nugent
Hales	Olson
Hamilton	Ormiston
Herridge	Pascoe
Horner (Acadia)	Paul
Horner (The Battlefords)	Perron
Howard	Peters
Howe (Wellington-Huron)	Pigeon
Irvine	Plourde
Jorgenson	Pugh
Kennedy	Rapp
Kindt	Rhéaume
Korchinski	Rondeau
Lamb	Rynard
Langlois	Simpson
Laprise	Slogan
Latulippe	Smallwood
Leboe	Smith
Lessard (Lake St. John)	Southam
Loney	Starr
MacEwan	Stefanson
MacInnis	Stenson
MacLean (Queens)	Thomas
Macquarrie	Thompson
MacRae	Watson (Assiniboia)
McIntosh	Webb
Mandziuk	Weichel
Marcoux	Winch
Millar	Winkler
	Woolliams—94.

NAYS

Messrs:

Armstrong	Drury
Asselin (Richmond-Wolfe)	Dubé
Badanai	Dupuis
Barnett	Émard
Basford	Eudes
Batten	Favreau
Béchard	Fisher
Benidickson	Forest
Benson	Francis
Berger	Gelber
Blouin	Gendron
Boulanger	Gordon
Brewin	Granger
Brown	Gray
Byrne	Greene
Cadieux (Terrebonne)	Guay
Cameron (High Park)	Habel
Cantin	Hahn
Cardin	Haidasz
Caron	Harley
Carter	Honey
Cashin	Jewett, Miss
Choquette	Klein
Cowan	Knowles
Crossman	Konantz, Mrs.
Cyr	LaMarsh, Miss
Davis	Lamontagne
Deachman	Laniel
Deschatelets	Laverdière
Drouin	Leblanc
	Lessard (St. Henry)
Lloyd	Pilon
Loiselle	Prittie
Macdonald	Prud'homme
Mackasey	Regan
MacNaught	Richard
McIlraith	Rinfret
McMillan	Robichaud
McNulty	Rochon
McWilliam	Rock
Martin (Essex East)	Rouleau
Mather	Roxburgh
Matheson	Ryan
Matte	Sauvé
Mitchell	Scott
Moreau	Stewart
Morison	Tardif
Munro	Temple
Nicholson	Tremblay
Nixon	Tucker
O'Keefe	Turner
Pearson	Wahn
Pennell	Walker
Pickersgill	Webster—107.

Mr. Speaker: I declare the motion lost.

Mr. Harkness: I was paired with the Minister of National Defence. Had I voted, I would have voted for the motion.

Mr. Groos: I was paired. Had I voted, I would have voted against the motion.

MISCELLANEOUS PRIVATE BILLS

Fourth report of standing committee on miscellaneous private bills—Mr. Loiselle.

HEALTH AND WELFARE

FIRST VOLUME OF REPORT OF ROYAL COMMISSION

Right Hon. L. B. Pearson (Prime Minister): Tomorrow at one o'clock, if the house agrees to revert to motions, there will be tabled volume 1 of the report of the royal commission on health services.

BRITISH NORTH AMERICA ACT

ADDRESS REQUESTING AMENDMENT TO PROVIDE FOR SURVIVORS' AND DISABILITY BENEFITS

On the order: Government notices of motion:

June 16—The Prime Minister—The following proposed motion:—

That a humble address be presented to Her Majesty the Queen in the following words:

To the Queen's Most Excellent Majesty:

Most Gracious Sovereign:

We, Your Majesty's most dutiful and loyal subjects, the ..... Commons of Canada in parliament assembled, humbly approach Your Majesty, praying that you may graciously be pleased to cause a measure to be laid before the parliament of the United Kingdom to be expressed as follows:

An Act to amend the British North America Act 1867.

Whereas the Senate and House of Commons of Canada in parliament assembled have submitted an address to Her Majesty praying that Her Majesty may graciously be pleased to cause a measure to be laid before the parliament of the United Kingdom for the enactment of the provisions hereinafter set forth:

Be it therefore enacted by the Queen's Most Excellent Majesty, by and with the advice and consent of the lords spiritual and temporal, and commons, in this present parliament assembled, and by the authority of the same, as follows:

Amendment as to legislation respecting old age pensions. 30 & 31 Vict., c. 3; 9 Eliz. II, c. 2.

1. Section ninety four A of the British North America Act, 1867 is hereby repealed and the following substituted therefor:

Legislation respecting old age pensions and supplementary benefits.

"94A. The parliament of Canada may make laws in relation to old age pensions and supplementary benefits, including survivors, and disability benefits irrespective of age, but no such law shall affect the operation of any law present or future of a provincial legislature in relation to any such matter."

Short title and citation.

2. This act may be cited as the British North America Act, 1964, and the British North America Acts, 1867 to 1960, and this act may be cited together as the British North America Acts, 1867 to 1964.

Mr. Speaker: Pursuant to section 2 of standing order 21 this government notice of motion stands transferred to and ordered for consideration under government orders later this day.

IMMIGRATION

JOSIF VERGAKIS—REQUEST FOR INQUIRY INTO DETENTION

On the orders of the day:

Right Hon. J. G. Diefenbaker (Leader of the Opposition): I should like to thank the Minister of Citizenship and Immigration for the answer he gave on June 16 with regard to one Josif Vergakis. At the same time I should like to ask him whether it is a fact that Vergakis was kept in custody following an order given for bail, which he was prepared to put up. Was he kept in custody from May 6 to June 14 for the alleged offence of refusing to answer questions? Is that correct or is it not?

Hon. René Tremblay (Minister of Citizenship and Immigration): It is not correct, and I think the explanation is given in the answer I gave this week.

Mr. Diefenbaker: If I read the answer correctly that is the position. I ask the minister whether in view of this case, another very sordid example of administrative lawlessness, he will now consider having this matter looked into by an independent commission to the end that situations of this kind will not be permitted to continue.

[Mr. Pearson.]

[*Translation*]

Mr. Tremblay: Mr. Speaker, as you know, when a supply motion was presented last week an hon. member dealt with a matter respecting immigration. When that motion comes again before the house in the next few days, I shall be very glad to supply at that time all required information to the house, as well as to the right hon. Leader of the Opposition (Mr. Diefenbaker).

[*Text*]

Mr. Diefenbaker: One of the provisions in Magna Carta is that justice shall not be denied, neither shall it be delayed. Will the minister give consideration to the appointment of even a one man commission to look into this case so that arbitrary actions of this kind in this country may end?

[*Translation*]

Mr. Tremblay: Mr. Speaker, I will be very glad to assign an official to make the necessary investigation in the department with respect to charges levelled against the administration of the department of immigration.

[*Text*]

Mr. Andrew Brewin (Greenwood): I have a supplementary question, Mr. Speaker. Would the hon. minister not consider that a special committee of this parliament, which after all is responsible for the liberties of people, would be an appropriate body to look into this whole matter of the immigration law and the difficulties that have arisen?

[*Translation*]

Mr. Tremblay: Mr. Speaker, upon receiving this report, I will be very glad to submit it to any committee of the house for full consideration.

[*Text*]

Mr. Reid Scott (Danforth): Mr. Speaker, I have a supplementary question. The minister has told the house that he is prepared to follow up any accusation brought to his attention. The question I want answered is, what protection is there for the liberties and rights of those people receiving this treatment of whom we may not hear?

[*Translation*]

Mr. Tremblay: Mr. Speaker, the investigating commissioner will be able to take all the necessary steps so as to examine the charges that have been laid against the department during the last few days.

[*Text*]

Mr. Diefenbaker: Mr. Speaker, would the minister give us the name of this person, who belongs to the department, I take it?

Mr. Tremblay: No.

Mr. Diefenbaker: Oh, it is someone outside the department making this inquiry? Who is this person?

[*Translation*]

Mr. Tremblay: Mr. Speaker, I will be glad to announce the name of the person entrusted with this responsibility at the beginning of the week; it will not be a department employee.

[*Text*]

Mr. Diefenbaker: Then he has not yet been appointed; is that correct? Mr. Speaker, I would point out to the minister that it is difficult to put on *Hansard* either a vertical or horizontal movement of the head.

Mr. Tremblay: The decision has been taken, but we have not yet appointed this man.

Mr. R. Gordon L. Fairweather (Royal): Mr. Speaker, I have a supplementary question for the minister. He said that the report of this as yet unappointed official would be referred to a committee of the house. Which committee would be considering this matter, please?

Mr. Tremblay: Mr. Speaker, I will put this report before the house. It seems to me that it is up to the house to find a way to examine the report.

Mr. D. V. Pugh (Okanagan Boundary): At the same time as the name is given, would the minister also state the terms of reference?

Mr. Tremblay: Yes, Mr. Speaker.

PENSIONS

CANADA PLAN—REQUEST FOR STATEMENT ON UNIVERSAL APPLICATION

On the orders of the day:

Hon. D. S. Harkness (Calgary North): Mr. Speaker, I should like to direct a question to the Prime Minister. Is the government proposing to take action to bring private pension plans into the same situation in the rest of Canada as Mr. Lesage apparently announced yesterday would be the case in the province of Quebec, in view of the fact that the pension plan in Quebec and the pension plan for the rest of Canada are supposed to be on an equal footing?

Right Hon. L. B. Pearson (Prime Minister): We will be discussing this matter shortly, Mr. Speaker. It is difficult for me to answer that question in detail on the orders of the day, but I will be glad to take it as notice.

CANADIAN BROADCASTING CORPORATION

INQUIRIES AS TO FILM RESPECTING PRIME MINISTER

On the orders of the day:

Hon. Alvin Hamilton (Qu'Appelle): Mr. Speaker, I would like to direct a question to the Prime Minister on the basis of the answer that he provided in the house the day before yesterday to a question by the hon. member for Royal. To make the question understandable I will read the relevant part of the question and the answer. The hon. member for Royal asked, concerning the restricted film on the Prime Minister:

> —was an oath of secrecy administered to Richard Ballentine and his technical crew during the filming of this production prior to their being admitted to meetings of the cabinet or a committee of the cabinet?

The answer was as follows:

> Mr. Pearson: To my knowledge, Mr. Speaker, there was no such admission of unauthorized persons, including those mentioned by my hon. friend, to any meeting of cabinet or committee of the cabinet.

I have in my hand a copy of the Montreal *Gazette* of yesterday which shows what purports to be a still picture from this controversial film. It is labelled "At cabinet. This picture of Prime Minister Pearson addressing the cabinet was taken from the controversial film". I would like to ask the Prime Minister —and I am sure there is a rational explanation for this—whether he could give to the house a more rational explanation of this apparent contradiction, so that unhappy interpretations will not be placed on this apparent difference.

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, I am not, of course, responsible for pictures that appear in the newspapers or for the captions put under them. I repeat what I said the other day, that neither this

photographer nor anybody connected with him was admitted to any meeting of the cabinet or to any committee of the cabinet, nor to take any pictures of the cabinet in session or committee of the cabinet in session.

Mr. R. Gordon L. Fairweather (Royal): Mr. Speaker, I have a supplementary question addressed to the Secretary of State. I am wondering whether he is aware that if he visits a certain location in downtown Ottawa tonight, knocks three times and gives the password "Mike sent me" he can enjoy the otherwise restricted film "Mr. Pearson" which has been tastefully cleaned up so as not to offend the sensibilities of the Secretary of State for External Affairs; and would he pass on this good news to the C.B.C.?

Some hon. Members: Oh, oh.

Mr. Speaker: Order. I realize the general interest in this subject, but I am not at all sure that the original question was not out of order on two grounds; first, because it asked whether a statement made in a newspaper was correct, and it seems to me that the caption underneath a picture could be the equivalent of a statement; and second—well, I think the first ground is sufficient.

Mr. Fairweather: As always, I gladly accept your ruling, sir.

Mr. Hamilton: On a point of order, Mr. Speaker, do I understand you have just ruled that my original question was of doubtful validity, according to our rules?

Mr. Speaker: I did not rule, but I made a very strong suggestion; at least that was intended. The question has already been asked and there have been two or three supplementaries, but if we were to start over again I am afraid I would have to rule that in my opinion it was a statement made in a newspaper.

Mr. Hamilton: Then I have to give notice to you, sir, that there are serious implications in this matter which I will have to deal with at a time when I review all the facts before me. I am serving notice of that.

AGRICULTURE

QUEBEC—METHOD OF CONSULTATION RESPECTING ARDA PROJECTS

On the orders of the day:

[*Translation*]

Mr. Gilles Grégoire (Lapointe): Mr. Speaker, may I direct a question to the minister of "rural development", forestry and "ARDA"?

[Mr. Pearson.]

Is it true that the minister telephoned Quebec's agriculture minister to tell him that he did not want to deal with him any longer about the ARDA regulations and that from now on he intended to deal directly with the premier of Quebec?

Hon. Maurice Sauvé (Minister of Forestry): Mr. Speaker, I talked to him three times yesterday and I never dealt with the matter in that way.

[*Text*]

SASKATCHEWAN—CUT IN BUDGET FOR ARDA RESEARCH PROJECTS

On the orders of the day:

Hon. Alvin Hamilton (Qu'Appelle): Mr. Speaker, I have a question for the minister of forestry and rural rehabilitation. In view of the importance of the ten major research projects under ARDA being carried out by the centre for community studies in Saskatoon, what has been done to overcome the difficulties resulting from the decision of the Saskatchewan government to cut the budget of that organization by two thirds?

Mr. Speaker: This is a question requiring a detailed answer. Would the hon. member put it on the order paper.

ARDA—DELAY IN APPROVAL OF PROJECTS IN QUEBEC

On the orders of the day:

[*Translation*]

Mr. C. A. Gauthier (Roberval): Mr. Speaker, I wish to direct a question to the Minister of Forestry in connection with ARDA. Can the minister tell the house whether it is true that his department has not yet approved the 29 specific projects, amounting to $7,500,000, submitted by the department of agriculture of Quebec?

If so, can he tell us why.

Hon. Maurice Sauvé (Minister of Forestry): Mr. Speaker, I gave a detailed answer to that question yesterday at the request of the hon member for St. Hyacinthe-Bagot (Mr. Ricard).

Mr. L. J. Pigeon (Joliette-L'Assomption-Montcalm): Mr. Speaker, I should like to direct a supplementary question to the Minister of Forestry. Could he tell the house whether it is true that he is taking advantage of ARDA to interfere in provincial affairs?

Mr. Sauvé: Mr. Speaker, the debate on that point results from a misunderstanding. During three telephone conversations I had yesterday

with hon. Mr. Courcy, everything was settled and we agreed on the interpretation to be given to ARDA in the province of Quebec. We are to meet in Mont Joli next July 4; members of the press gallery of the House of Commons and of the Quebec legislature will be present.

Mr. Pigeon: Another supplementary question, Mr. Speaker. Could the minister tell the house who was wrong, the Quebec minister of agriculture or himself?

Mr. Sauvé: Mr. Speaker, I will publish this afternoon the whole text of the speech I gave in Matane and the hon. member will have the opportunity to see the stand taken by the Quebec minister of agriculture and myself in that respect.

Mr. Pigeon: I have another supplementary question, Mr. Speaker. Is the minister ready to table—

[*Text*]

Mr. Speaker: Order, please. This is becoming a debate.

ARTS, LETTERS AND SCIENCES

EMPLOYMENT BY ROYAL COMMISSION OF RESEARCH STAFF

On the orders of the day:

Mr. Lloyd R. Crouse (Queens-Lunenburg): Mr. Speaker, I should like to direct a question to the Secretary of State. Would the minister inform the house whether the two man royal commission on bilingualism and biculturalism plans to hire 45 full-time and part-time researchers at public expense to undertake various projects; and if so, would he tell the house the exact nature of these projects?

Hon. Maurice Lamontagne (Secretary of State): Mr. Speaker, I think this question should be directed to the Prime Minister.

Right Hon. L. B. Pearson (Prime Minister): Yes, Mr. Speaker; and in view of the nature of the question and the lengthy reply that would be required, I suggest it be put on the order paper.

Mr. A. D. Hales (Wellington South): A supplementary question to the Prime Minister, Mr. Speaker. Will this same commission be holding public hearings or meetings in Toronto and Montreal?

Mr. Pearson: I believe they have already held meetings there. I am not sure.

Mr. Woolliams: No, they haven't.

Mr. Pearson: But I also believe their public sessions are completed.

Mr. Gene Rhéaume (Northwest Territories): A supplementary question to the Prime Minister. The question arises from press reports of today. Can the Prime Minister confirm that the B and B gang will in fact be examining television, radio and newspaper media in this country?

Mr. Speaker: The hon. member for St. John's West.

Mr. Rhéaume: Mr. Speaker, I would like to debate this question at ten o'clock.

Mr. Speaker: Could I suggest to the hon. member that the use of the word "gang" in connection with a royal commission does not exactly dignify such a body.

Mr. Rhéaume: Mr. Speaker, I give notice that I wish to debate this question at ten o'clock.

REPORTED STATEMENT BY MEMBER OF ROYAL COMMISSION

On the orders of the day:

Mr. Heath Macquarrie (Queens): Mr. Speaker, I have a question for the Prime Minister which is prompted by a report in today's *Gazette* in which a member of the royal commission on bilingualism and biculturalism is quoted directly as saying that he did not believe in the recommendations of the commission, which would not change anything. Is the Prime Minister investigating this utterance, and has he had word of any resignation from any member of the commission?

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, I think if I investigated every utterance made on the work of this commission I would be doing nothing else.

TRANSPORT

DELAY IN SHIPMENTS OF FREIGHT TO NEWFOUNDLAND

On the orders of the day:

Mr. Richard Cashin (St. John's West): Mr. Speaker, I have a question for the Minister of Transport. Could the minister inform the house what steps the government is taking to alleviate the great backlog of freight waiting to be shipped to Newfoundland via North Sydney and Port aux Basques?

Hon. J. W. Pickersgill (Minister of Transport): Mr. Speaker—

Inquiries of the Ministry

Some hon. Members: Oh, oh.

Mr. Speaker: Order. I seem to be a little slow today, but that does strike me as a very good question for the order paper.

Mr. Cashin: Mr. Speaker, I serve notice that I will be debating this question at ten o'clock.

NEGOTIATIONS RESPECTING SATELLITE TRACKING STATION

On the orders of the day:

Mr. Robert Muir (Cape Breton North and Victoria): Mr. Speaker, now that you have allowed that last important question maybe I can rephrase the question I put to the Minister of Transport last week in regard to the construction of a multimillion dollar satellite tracking station in eastern Canada. Are negotiations still going on between the governments of the United States and Canada and, if so, how soon can we expect a further announcement regarding developments with respect to this matter?

Hon. J. W. Pickersgill (Minister of Transport): Mr. Speaker, I believe the negotiations are going very well, but I should not like to predict when they will be concluded.

EXTERNAL AFFAIRS

ASSISTANCE TO JAPAN FOLLOWING EARTHQUAKE DAMAGE

On the orders of the day:

Mr. W. B. Nesbitt (Oxford): Mr. Speaker, I would like to direct a question to the right hon. Prime Minister. Has the Canadian government made any offer of assistance to the government of Japan to assist those who have been afflicted by the disastrous earthquake in that country?

Right Hon. L. B. Pearson (Prime Minister): Not to my knowledge, Mr. Speaker, nor have we yet received detailed reports of the unhappy damage in that country.

HEALTH AND WELFARE

REPORTED RELATION BETWEEN CONSUMPTION OF FISH AND CANCER

On the orders of the day:

[*Translation*]

Mr. Marcel Lessard (Lake St. John): Mr. Speaker, may I direct a question to the Minister of Fisheries?

[Mr. Pickersgill.]

In view of the statement that I heard last night concerning fish, does the minister propose to set up an inquiry into the merit of that statement to the effect that the consumption of fish could be one of the direct causes of stomach cancer? We would also like to know whether the minister proposes to launch a drive against fishing and fisheries as his colleague, the Minister of National Health and Welfare (Miss LaMarsh), did against the use of cigarettes?

[*Text*]

Mr. Speaker: Would the hon. member put this important question on the order paper.

Mr. Lloyd R. Crouse (Queens-Lunenburg): On a point of order, Mr. Speaker, I believe that the import of this question is of such a nature and of such great importance to a vast number of people in one of the primary industries of Canada that, with great deference to you, sir, it should not be placed on the order paper, but that if the Minister of Fisheries is in a position to make a reply of some nature at this time he should now do so.

Mr. Speaker: With the unanimous consent of the house, if the minister is ready, and in view of the importance of the question, the minister may be prepared to make a statement.

[*Translation*]

Hon. H. J. Robichaud (Minister of Fisheries): Mr. Speaker, the question is so important that it would be impossible for me to deal with it during the question period. But all hon. members can take my word for it, it is a good thing to eat fish at every opportunity.

Mr. Lessard (Lake St. John): A supplementary question, Mr. Speaker.

Since the minister willingly replied "with your approval", I feel the question I raised is most important, as mentioned by the hon. member for Queens-Lunenburg (Mr. Crouse), and I think the minister should take it more seriously and give it the consideration it deserves.

Mr. Robichaud: In order to give the matter more serious consideration, I should have to see and examine this report.

[*Text*]

NATIONAL ANTHEM

INQUIRY AS TO DIVISION OF RESOLUTION

On the orders of the day:

[*Translation*]

Mr. L. J. Pigeon (Joliette-L'Assomption-Montcalm): Mr. Speaker, may I direct a question to the Prime Minister?

Does the government intend to divide the resolution on the two anthems: "O Canada" and the royal anthem, as it has been done for the two flags?

[*Text*]

Right Hon. L. B. Pearson (Prime Minister): No, Mr. Speaker.

[*Translation*]

Mr. Pigeon: A supplementary question—

[*Text*]

Mr. Speaker: I cannot see any possible supplementary after a "no" answer.

[*Translation*]

Mr. Pigeon: Mr. Speaker, on a point of order, I ask you this question.

Do you intend to divide the resolution on the two national anthems, "O Canada" and the royal anthem, as you did for the two flags?

[*Text*]

Mr. Speaker: It gives me pleasure to rule that question out of order.

Mr. Pigeon: May I discuss it after ten o'clock, Mr. Speaker.

SHIPPING

MONTREAL—FEDERAL PARTICIPATION IN STUDY OF WATER LEVEL

On the orders of the day:

[*Translation*]

Mr. Gérard Laprise (Chapleau): Mr. Speaker, may I put a question to the Prime Minister?

Last Monday, June 15, as reported on page 4291 of *Hansard*, I asked the Prime Minister whether the federal government would be represented at the meeting to be held on June 30 next to study the critical situation of the water level in the port of Montreal. Can the Prime Minister give us an answer today?

[*Text*]

Right Hon. L. B. Pearson (Prime Minister): No, Mr. Speaker. I apologize to the hon. gentleman, and will try and get an answer tomorrow.

EFFECT OF LOW WATER LEVEL IN GEORGIAN BAY AND LAKE HURON

On the orders of the day:

Mr. John Loney (Bruce): Mr. Speaker, I have a question for the Minister of Transport. Will the minister give immediate consideration to the communication he has received from the Georgian bay development association with regard to the current low water levels in the lake Huron and Georgian bay area?

Hon. J. W. Pickersgill (Minister of Transport): Mr. Speaker, apparently this is a much more urgent matter than the matter of getting freight to Newfoundland, but I am glad to tell the hon. gentleman that I have been giving urgent consideration to this matter for many months.

Mr. Knowles: Mr. Speaker, on a point of order, I object to the slur that was just cast on the Chair.

Mr. Churchill: Mr. Speaker, I wonder whether the minister would withdraw this slur on the Chair.

Mr. Pickersgill: Mr. Speaker, if I said anything that was disrespectful to anyone I apologize at once.

Mr. Speaker: I hasten to assure the minister that I did not hear him.

Mr. Loney: A supplementary question. Could I ask the Minister of Transport if he is aware that this communication refers to a letter written to the Prime Minister on April 28 which as of June 16 was unanswered?

Mr. Pickersgill: Mr. Speaker, I am not familiar with all the Prime Minister's correspondence but I will look into the matter and consult with his office. However, I can assure hon. members that there is no member of the house more concerned about the levels of Georgian bay and lake Huron than my right hon. friend the Prime Minister, who represents in this house a very large part of that area.

Mr. Donald MacInnis (Cape Breton South): Mr. Speaker, I have a question for the Minister of Transport. I wonder whether the minister would indicate to the house whether he has any objection to sign stealing here in the house and, if so would he camouflage his signs a little more.

Inquiries of the Ministry

BUSINESS OF THE HOUSE

REQUESTS FOR STATEMENT ON PRIORITY OF LEGISLATION

On the orders of the day:

Hon. Michael Starr (Ontario): Mr. Speaker, I should like to address a question to the Prime Minister. In view of the time element, with September drawing close now, would the Prime Minister advise when he expects to announce the student loan policy?

Right Hon. L. B. Pearson (Prime Minister): We hope to proceed with that, Mr. Speaker, as soon as we finish the resolutions on the flag and the anthem and the pension proposal which we will be bringing before the house. We will then proceed with the student loan and youth allowance matters.

Mr. Starr: A supplementary question. In any event, if all these matters are not cleaned up does the Prime Minister not think that the student loan policy is sufficiently important that one of the debates could be broken into so this could be put through?

Mr. Pearson: Mr. Speaker, I cannot contemplate that we will not be able to dispose of these other matters before the middle of July.

[*Translation*]

Mr. L. J. Pigeon (Joliette-L'Assomption-Montcalm): Mr. Speaker, does the government intend to grant two kinds of loans to students, in view of the fact that we will have two flags?

[*Text*]

Mr. E. Nasserden (Rosthern): Mr. Speaker, I have a supplementary question for the Prime Minister. When can we expect the amendments to the Farm Improvement Loan Act and the Crop Insurance Act to be brought before the house?

Mr. Pearson: As soon as we complete the measures already mentioned.

Mr. H. A. Olson (Medicine Hat): Mr. Speaker, I have a question for the Minister of Transport having to do with the timetable respecting legislation. There is a report in this morning's paper which says "Transportation legislation shelved once more." In view of the tremendous importance of this legislation to a number of the provinces, and in view of the preparation which they must make to meet the committee on railways, canals and telegraph lines, would the Minister of Transport give some assurance that the resolution will be passed so that we can see the bill, and that then there will be a waiting period before it is proceeded with?

Hon. J. W. Pickersgill (Minister of Transport): Mr. Speaker, I am sure that if most hon. members followed the excellent example of the hon. member for Medicine Hat it would not be too long before we reached this measure.

[*Later:*]

Mr. Olson: Mr. Speaker, now that I have recovered from the unexpected and perhaps unwarranted flattery of the Minister of Transport, I wonder whether he would answer the question. The newspaper article to which I referred indicated that some official or officials of the Department of Transport had said that the transport legislation will be still further delayed. I should like to know if there has been a change of attitude by the Department of Transport with respect to priorities.

Mr. Pickersgill: There has been no change with respect to priorities, but in view of what has been going on it reads to me like rather intelligent speculation as to what might really happen.

Mr. Gene Rhéaume (Northwest Territories): A supplementary question, Mr. Speaker. Would the minister consider using his influence with his colleagues to arrange to have the transportation legislation brought in prior to the resumption of the flag debate?

Mr. Pickersgill: No, sir.

Mr. R. R. Southam (Moose Mountain): Mr. Speaker, I should like to direct a question to the Prime Minister. In view of the answer he gave the hon. member for Ontario a few moments ago regarding the student loan legislation, does he think the flag issue is more important than bringing in legislation to help students?

Mr. Pearson: No, Mr. Speaker, but I recognize that my hon. friend would be very grateful indeed if we would rescue him and his party from their dilemma in regard to the flag debate.

UNITED NATIONS

PROSPECTIVE OTTAWA MEETING ON STAND-BY UNITS FOR PEACE FORCE

On the orders of the day:

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I direct a question to the Prime Minister. Can the Prime Minister

make a statement to the house with reference to the news report that a meeting will be held in Ottawa this fall of nations interested, with Canada, in the forming of peace keeping machinery to be available to the United Nations? Are these reports correct, and can the Prime Minister make a statement on the matter to the house?

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, the matter is under consideration. Discussions have taken place through diplomatic channels and I hope a report on this matter will be made in a very short time either by myself or my hon. friend the Secretary of State for External Affairs.

ADMINISTRATION OF JUSTICE

IMPLEMENTATION OF RECOMMENDATIONS RESPECTING JUVENILE DELINQUENCY

On the orders of the day:

Mr. Eldon Woolliams (Bow River): Mr. Speaker, I have a question for the Minister of Justice; he may not be in a position to answer it today. I put a question on the order paper with reference to juveniles incarcerated in the penitentiaries of Canada. The answer to that question showed that one child under 14 or 15 years of age was in a penitentiary. Is his department considering implementing the recommendations of the royal commission with reference to the investigation of juvenile delinquency, and in particular taking some steps in regard to children of that age being placed in the penitentiaries of Canada?

Hon. Guy Favreau (Minister of Justice): Mr. Speaker, I thank the hon. member for bringing this to my attention.

WATER RESOURCES

LAKE ONTARIO—POLLUTION THROUGH DUMPING OF OILY WASTE

On the orders of the day:

Mr. A. D. Alkenbrack (Prince Edward-Lennox): Mr. Speaker, I have a question for the Minister of Transport of which I have given him notice. In view of the current heavy pollution of the waters and shores of lake Ontario bounding Prince Edward and Lennox counties, which is apparently created by the ruthless dumping of oily wastes by shipping on the lake and which is ruinous to the beaches, the tourist industry and to fish and game, will the minister use his authority to investigate forthwith the origin of this pollution and use all means available to him to apprehend, prosecute and stop this flagrant and barbaric breach of the law?

Hon. J. W. Pickersgill (Minister of Transport): I am very much against pollution, Mr. Speaker, and I will do everything I can.

INDUSTRY

PETERBOROUGH, ONT.—REMOVAL OF PART OF PLANT TO U.S.

On the orders of the day:

Mr. Fred F. Stenson (Peterborough): Mr. Speaker, I should like to direct my question to the Minister of Industry. Is he aware that the Fisher Gauge plant in Peterborough is moving part of its operation to the United States on account of the 11 per cent sales tax that is going to be levied on production machinery? I should also like to ask him if his department was in touch with this plant in Peterborough.

Hon. C. M. Drury (Minister of Industry): Yes, Mr. Speaker, my officials have been in touch for some time with the Fisher Gauge operation in Peterborough. We are aware of the factors which have led them to consider removing part of their operation to the United States. I think it would be unwise or untrue for me to suggest that the 11 per cent sales tax was the only reason for this move. There are a number of complex factors, and we are endeavouring to correct as many of those factors as we can to try to prevent this move taking place.

Mr. Winkler: Have you discussed it with the Minister of Finance?

Mr. Stenson: A supplementary question. I understand the Department of National Revenue has had auditors in the plant. What recommendations have been made to the minister's department or the Department of National Revenue with regard to this plant? I asked the minister, I think, and the Minister of National Revenue for this information some time ago, and I have not received it.

Mr. Drury: Mr. Speaker, I do not believe the hon. member really wishes me to disclose recommendations made by one department to another.

Mr. D. V. Pugh (Okanagan Boundary): A supplementary question to the Minister of Finance. Some time ago I asked if he kept a breakdown of the returns to the government from the 11 per cent tax. I ask him again, does he keep such a breakdown?

Inquiries of the Ministry

Hon. Walter L. Gordon (Minister of Finance): I am not clear as to the question. Would my hon. friend be kind enough to repeat it a little more specifically?

Mr. Pugh: Does the minister's department keep a breakdown of the revenue to the government as a result of the 11 per cent sales tax?

Mr. Gordon: Mr. Speaker, there seems to be quite a lot of misunderstanding about this tax. I should like to point out, if I may, that it is a general tax which applies to a wide variety of products. The Leader of the Opposition asked me a question the other day. He seemed to think it was a tax that had been placed on drugs by the government.

Mr. Diefenbaker: What has that got to do with building materials?

Mr. Gordon: The tax has applied to drugs for a long time, and I would remind my hon. friend that it was his government that increased it to 11 per cent.

Right Hon. J. G. Diefenbaker (Leader of the Opposition): Mr. Speaker, that kind of evasive action is the reason the Canadian economy is slipping in so far as our balance of payments is concerned. Can the minister give the intelligent answer we would like to have as to how much is realized month by month from the imposition of the 11 per cent sales tax on building materials? I understood that to be the question. Does the minister's evasion indicate that they have no such records?

Mr. Gordon: I do not know whether my so-called evasive answers are responsible for the improvement in the economy, but if so perhaps it is worth while. As far as this specific question is concerned, I would be glad to get the information and supply it to the Leader of the Opposition.

Mr. Diefenbaker: If you had said that in the first place you would not have had any difficulty.

Mr. Speaker: Order. It seems to me that this particular matter has been well gone into.

PARLIAMENT BUILDINGS

WEST BLOCK—INQUIRY AS TO OPENING OF EXERCISE ROOM

On the orders of the day:

Mr. Joseph Slogan (Springfield): Mr. Speaker, I have a question for the Minister of Public Works which is of extreme importance to all members of parliament. My question is prompted by the lecture delivered today to the voluntary health committee of parliament by Dr. Dudley White emphasizing the vital need for exercise in the prevention of heart disease, especially among politicians. When will the exercise room in the west block, which was ready last year, be opened for use by members of parliament?

[*Translation*]

Hon. Jean Paul Deschatelets (Minister of Public Works): Mr. Speaker, this question does not come under the exclusive jurisdiction of my department, but I will take up this matter with the various organizations looking after the welfare of the members of parliament and I will give an answer to the hon. member later.

[*Text*]

PARLIAMENT HILL

REQUEST THAT R.C.M.P. IN ATTENDANCE BE BILINGUAL

On the orders of the day:

[*Translation*]

Mr. Gilles Grégoire (Lapointe): Mr. Speaker, last week I directed a question to the Prime Minister and he told me that he would look into it personally. I wanted to know whether all the members of the R.C.M.P. on duty on parliament hill in Ottawa to welcome tourists, are bilingual.

I should like the Prime Minister to tell me whether my recommendation was implemented.

[*Text*]

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, I have taken this matter up with the Minister of Justice who is responsible, of course, for the R.C.M.P. He is in discussion at the present time with the R.C.M.P. on ways and means of dealing with this matter, and hopes to be able to make a report very shortly.

CANADIAN NATIONAL RAILWAYS

REQUEST FOR BILINGUAL INSIGNIA ON NEW CARS

On the orders of the day:

[*Translation*]

Mr. Gérard Laprise (Chapleau): Mr. Speaker, I wish to direct a question to the Minister of Transport.

The Canadian National Railways has just ordered 500 cars from the National Steel Car of Montreal.

Would the minister tell us whether the inscriptions on those new cars will be bilingual?

[*Text*]

Hon. J. W. Pickersgill (Minister of Transport): Mr. Speaker, I am afraid I could not answer that question offhand.

BRITISH NORTH AMERICA ACT

ADDRESS REQUESTING AMENDMENT TO PROVIDE FOR SURVIVORS' AND DISABILITY BENEFITS

Right Hon. L. B. Pearson (Prime Minister) moved:

That a humble address be presented to Her Majesty the Queen in the following words:

To the Queen's Most Excellent Majesty:

Most Gracious Sovereign:

We, Your Majesty's most dutiful and loyal subjects, the ..... Commons of Canada in parliament assembled, humbly approach Your Majesty, praying that you may graciously be pleased to cause a measure to be laid before the parliament of the United Kingdom to be expressed as follows:

An act to amend the British North America Act 1867.

Whereas the Senate and House of Commons of Canada in parliament assembled have submitted an address to Her Majesty praying that Her Majesty may graciously be pleased to cause a measure to be laid before the parliament of the United Kingdom for the enactment of the provisions hereinafter set forth:

Be it therefore enacted by the Queen's Most Excellent Majesty, by and with the advice and consent of the lords spiritual and temporal, and commons, in this present parliament assembled, and by the authority of the same, as follows:

Amendment as to legislation respecting old age pensions, 30 & 31 Vict., c. 3; 9 Eliz. II, c. 2.

1. Section ninety four A of the British North America Act, 1867 is hereby repealed and the following substituted therefor:

Legislation respecting old age pensions and supplementary benefits.

"94A. The parliament of Canada may make laws in relation to old age pensions and supplementary benefits, including survivors' and disability benefits irrespective of age, but no such law shall affect the operation of any law present or future of a provincial legislature in relation to any such matter."

Short title and citation.

2. This act may be cited as the British North America Act, 1964, and the British North America Acts, 1867 to 1960, and this act may be cited together as the British North America Acts, 1867 to 1964.

He said: Mr. Speaker, it is my privilege to move what I hope will be a joint address of parliament for the amendment of section 94A of the British North America Act. If the resolution is approved by this house, then we shall of course move a motion requesting the concurrence of the other house, which can be expressed by inserting the words "Senate and" in the resolution.

The purpose of this proposed amendment, Mr. Speaker, is well known to the members of the house. It is a purpose which I believe is supported by all parties in the house. The means for achieving this purpose, survivor benefits in pension legislation, that is by submission of a resolution to the parliament at Westminster, is of course strangely out of date and indeed inappropriate. But at the moment, it is our only means available to this parliament for making this kind of constitutional change. It is, of course, an unhappy situation as we approach the centenary of our confederation and as we approach the 35th anniversary of the passing of the statute of Westminster. It is a situation which I am sure all members of the house and all Canadians would like to see changed. But we have to deal with the situation as it is at present with regard to the procedure to be followed in this matter. If the procedure is anomalous, as it is, and if indeed in a sense it is humiliating to go to another parliament to ask them to do something of this kind for us, it is a self-inflicted humiliation.

The existing section 94A was created by a constitutional amendment in 1951. This 1951 amendment made possible the old age security system under which all Canadians are paid a flat rate monthly pension on reaching age 70. This amendment provided simply that the parliament of Canada, as well as the legislatures of the provinces of Canada, might enact legislation regarding old age pension. This, of course, has led to joint jurisdiction in this matter.

Now, that provision was adequate for the old age security system under which everyone became a beneficiary at a certain age, and no one became a beneficiary before that age. I think we can all agree that this is the foundation of our social security system but that it is not, in itself, enough. I believe it is generally agreed that the time has come to supplement the universal flat rate pension with a broad scheme of social insurance. This is certainly the government's belief, and discussions that have already taken place in the house have shown that it commands general support in the house.

The main benefit under any proposed pension scheme of the kind which I hope will be introduced shortly into the house will, of course, be a retirement pension. For a great majority of people who go on working to the

usual age of retirement, the plan will provide an earnings related pension which, in combination with the old age security benefits, will I believe assure that people continue to have at least a modestly adequate income on retirement. But such a plan is not complete unless it provides assurance also to people who unfortunately are not able to go on working to the usual age of retirement. This is the purpose of supplementary benefits in a contributory pension scheme.

In the documents which I tabled in the house last week, I think it was, the supplementary benefits that we propose, which would be covered by this kind of amendment if it were adopted, were described in some detail. They were of four kinds and I will outline them briefly. First, there would be the pension for widows of contributors; second, there would be the benefits to dependant children of contributors who die; third, there would be pensions for contributors who became disabled before reaching retirement age; and fourth, there would be a modest death benefit payable to the estate of any contributor.

These benefits are supplementary to the pension plan but they are not themselves old age pensions. The beneficiaries are not necessarily aged. An important group of them, indeed, are children whose father is dead, or whose mother is dead in a case where it was the mother who supported the family.

The constitutional amendment is necessary to make it clear that this parliament has the power to legislate such supplementary benefits of the kind I have mentioned. The amendment, as proposed in this resolution, would be simply an adaptation of section 94A of the British North America Act to cover this broader purpose. It adds to old age pensions, and I quote from the proposed amendment, "supplementary benefits, including survivors and disability benefits irrespective of age". This, Mr. Speaker, is the only change, though it is an important change. It is the only change of substance.

The amendment also takes advantage of the opportunity to tidy up the wording of section 94A by deleting an unnecessary "it is declared" and an unnecessary phrase "from time to time". These are deletions from the original 94A. There are also certain consequential changes in the latter half of the section, that part of the section which safeguards the continuing jurisdiction of the provinces in relation to pensions and related matters. The present wording of the section refers only to pensions. In order that the safeguard will apply equally to the supplementary benefits proposed, the amendment refers more broadly to "such law" and "any such matter"—that is, the supplementary benefits as well as the pensions themselves. These are the changes that are proposed in the resolution, Mr. Speaker—one of substance, the other of wording and a consequential amendment.

I should like to make it quite clear that the rights of the provinces are unaffected by this amendment. Indeed, I feel that goes without saying or the provinces would not have unanimously agreed to the wording of this formula. The existing section 94A provides that no federal legislation shall affect the operation of any federal law, present or future, in relation to old age pensions. The proposed amendment retains the same provision in relation to both pensions and supplementary benefits. As the house is aware, the wording of the amendment has been submitted to the provinces. As I have just said, this resolution is being brought before the house only after all the provinces have officially expressed their concurrence in the proposed wording.

In conclusion, I should like to express my appreciation of the co-operative spirit in which the premiers of the provinces have considered this matter with the federal government. As a result of that co-operation, we can now make a most important social advance in this parliament. I am sure all hon. members will wish to participate in that advance for the good of the people of Canada. I believe, therefore, that this amendment which is before the house will receive the approval of this house.

Right Hon. J. G. Diefenbaker (Leader of the Opposition): Mr. Speaker, it is one of the unique ironies of Canadian history that parliament should halt consideration of the question of national flags in order to make an application, by way of an address to the British parliament, to ask that house to amend the Canadian constitution.

In these days of discussion regarding Canada's position as a nation, the panegyrics one has heard in the last few days as to the steps being taken by the government, make the application for the present address before the house rather ridiculous. During the period we were in office we tried to bring about, through the initiation of action within our country, the repatriation of the Canadian

constitution. We dealt with that on more than one occasion. There were times when we were very close to agreement. We started in 1960 by the convening of two conferences to repatriate the British North America Act, and we hoped that we would be able to achieve that.

Discussions took place over a period of time, and in particular on November 2 and 3, 1960, following which a communique was issued. The conference had available for discussion the drafts of the various alternatives which had been previously suggested, forming the basis for a possible formula under which the power to amend might be transferred to Canada, and a committee representative of all the provinces started to consider the various submissions made.

It was unanimously agreed that the provisions concerning language and education, and one or two others, should be entrenched, but the area of disagreement was mainly that dealing with legislative powers of the provinces under section 92.

A further meeting was held on January 12 and 13 of the following year. There was considerable opposition, and the chief opposition to the entrenchment of much of section 92 originated from the government of Saskatchewan. There was as well, of course, continuing opposition from the government of Quebec in this connection.

In 1961 various meetings were held and finally a draft bill was made public on December 1 of that year. That draft bill would have made possible the removal of one of those anachronisms that speaks out loudly and definitely whenever we in Canada wish to make any changes that have a constitutional import. As I said a moment ago it is ironical that we, because of the failure of our governments federally and provincially to arrive at agreement, still have provisions that are not applicable to any other independent nation within the commonwealth. Whatever the views of the past may have been, certainly there has been no justification for this during the last 40 years.

The Prime Minister (Mr. Pearson) mentioned the Statute of Westminister. It enacted nothing new. The Statute of Westminister simply placed into legislative form the accepted principles of the association within the commonwealth. For many years successive governments hoped to bring about agreement in this regard but now in 1964, while we talk about emblems, national symbols and all that kind of thing, we go cap in hand to Westminister in order to secure changes that are necessary from the point of view of both economic and social security.

I am going to say no more in this connection, except that it is not Westminster that exercises by its own wish this authority over Canada. It is the failure of Canadians to build within this nation one Canada. That is the reason for this situation.

Dealing specifically with the amendment, it is a strange thing that when we were in office and said such an amendment was necessary if survivor benefits were to be provided, those who now sit on the treasury benches argued that no such constitutional amendment was necessary to provide for such benefits. The hon. member for Perth (Mr. Monteith), when he was minister of national health and welfare, dealt with this matter on a number of occasions, and each time this question came before the house those who now sit on the treasury benches said such a course was entirely unnecessary. Well, repentance has its reward, however late. It takes place, I am told, in the religious world; but this is a remarkable turnabout on the part of a government which, when in opposition, enunciated the principle that all of these things could be done right here in parliament without there being any necessity of securing a constitutional amendment.

We tried to get this amendment consented to. All of the provinces excepting the province of Quebec agreed. All were prepared to accept and to consent to an amendment to provide for the provision of contributory retirement pensions. We had the legislation ready. We had at all times supported the need. We had before parliament and ready for presentation, as set out in the speech from the throne, legislation that would have provided for these things that are now provided for in the suggested bill that will be presented following the acceptance of this amendment by Westminster.

Sir, to say the least, the course of the government on pension legislation and contributory pensions has been marked by evasion, retreat, withdrawal, defiance of the provinces and finally by capitulation on the part of the government, it having failed to cooperate through consultation with the provinces. It has been a wonderful story. The Minister of National Health and Welfare (Miss LaMarsh) is not here. I can understand that. Remember when she came before parliament —she now appears—

Some hon. Members: Hear, hear.

Mr. Diefenbaker: She came before parliament in the month of July last, saying, in effect: Here is the pension plan. It is the

greatest thing which has ever been presented anywhere at any time. The hon. lady went on to point out that it had to be passed by parliament—"Either you pass this plan in the form in which I have presented it, or I will not continue as minister". It was not passed. It was not considered. And she still is minister.

Then there was the second plan which evolved out of other considerations into which I shall not inquire at the moment. This second plan was supposed to be better than the superlative plan number one which died even before birth. Number two, in turn, was one of those measures it was said which men would look back on in the years to come as a milestone in the field of social security legislation. We said of both of those plans, number one and number two: You cannot bring them in without a constitutional amendment. We asked for that almost a year ago. And the answer was that there was no necessity whatever for such an amendment.

We endeavoured ourselves, in January 1962 and earlier, to secure the consent of the provinces to bringing in legislation which would enable provision to be made for contributory pensions. In order that there may be no doubt about this, I wish to place on record a copy of a letter which was sent to all the premiers of Canada in this connection. This letter appears in *Hansard* of 1962 at page 76 and it reads, in part, as follows:

> My colleagues and I in the federal government have come to the conclusion that the Canadian social security system should be improved by the addition of a plan for graduated old age pensions on a contributory basis in addition to the basic old age security pension, for all those who can reasonably afford additional provision for their old age and who have not already undertaken it under private pension plans or other contractual arrangements.

In other words, our plan was to operate in conjunction with existing plans; it was not intended to impose a new system over and above existing plans. The letter continues.

> We believe that a plan of this kind, which would have some resemblance to the American social security laws and the recent British legislation, should also contain provisions for the payment of benefits under certain circumstances to the widows and children of contributors who die, and to former contributors who become permanently disabled.

I emphasize this because it shows clearly there is nothing new about what is being produced here today over and above the measure we endeavoured to bring in and in respect to which an amendment to the constitution was required. Then I went on to point out:

[Mr. Diefenbaker.]

> The British North America Act was amended in 1951 by the addition of the following as section 94A—

This has now been set out by the Prime Minister in the course of his remarks, and I will therefore not repeat it. The letter continues:

> The law officers of the crown advise me that this authority would permit parliament to enact a contributory, graduated old age pension plan—

That is the authority of the amendment of 1951—

> —but would not permit the inclusion of benefits payable under certain circumstances to widows and children, nor to contributors who become disabled before they are old. To extend the law in this most desirable way, it would be necessary to replace the present section with one reading—

And I then set out the manner in which the amendment could be made.

Hon. gentlemen now sitting opposite on the treasury benches said this was nonsense. The present Secretary of State for External Affairs (Mr. Martin) who then was not only an authority on agriculture but an authority as well on health and welfare, said this was not necessary. He said there could not have been such an opinion received from the law officers of the crown. But there was. This government said, when it came to office, that such an amendment of the constitution would not be necessary. They have found out, after two experimental jumps, that finally, before making the effective jump, they now have to ask for something which they repudiated as being unnecessary for a period of years.

The section we suggested, and which we wanted to bring in, was this:

> It is hereby declared that the parliament of Canada may from time to time make laws in relation to
>
> (a) old age pensions, and
>
> (b) pensions and other benefits incidental to, or conducive to the better operation and administration of, a scheme of old age pensions,
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> but no law made by the parliament of Canada under the authority of this section affects the operation of any law enacted by the legislature of a province in relation to any of the matters specified in paragraphs (a) and (b) of this section.

This is, in effect, what is being done today, after the delay on the part of this government of a year while telling us such action was not necessary. Now hon. members opposite recognize that it is. I went on to say:

> My colleagues and I had hoped that agreement would have been reached by this time on a means of amending Canada's constitution in Canada and that this change in section 94A would have been one of the first amendments made under the new

arrangements. It is now evident that it will take some further time to reach agreement on the methods of amendment of the constitution in Canada and it will therefore be necessary to proceed by way of an address to the Queen—

All the provinces of Canada with the exception of Quebec agreed. Mr. Lesage took the stand that unless we set out in detail what we proposed to do with this power he would not give his consent. We pressed him again in the fall of 1962 and we received the same answer. He advanced a proposition which constitutionally was untenable, namely that a province has the right to ask a federal parliament to give full details of whatever action it intends to take under amendments to be made to the British North America Act.

I will not go into that correspondence now. It is set out in detail in *Hansard*. It shows clearly that the only reason this legislation is not on the statute books today—portable pensions available under a contribtuory plan —is that this constitutional amendment was denied. The present government, however, when it first came to office, undertook that all these things were to be done in those 60 days of never to be forgotten indecision. They tried, they talked—and they ended up by withdrawing. Finally, there was a dominion-provincial meeting. Then the situation became abundantly clear when Mr. Lesage said: I will not accept the plan you have produced. This was the revised version—the second jump, which was the epitome of all the parliamentary advances in the field of social security. Mr. Lesage said: I will have nothing to do with it; it is not good; I have a better plan. And he proceeded to set out in detail the plan he had. Indeed, he went so far, I understand, as to prepare a bill. At the conference in Quebec no agreement was reached. The Prime Minister of Canada said: We will have to try to do something about it, but we stand firm on the plan enunciated by my colleague the minister of health and welfare. That is what the right hon. gentleman said in effect. Her plans today are forgotten; the schemes are things of the past—they have joined the limbo of forgotten things. Two weeks after that meeting in Quebec the government of Canada decided that they would give a carrot, a large carrot to the provinces. They promised new plans of sharing in taxation fields, plans that are going to greatly increase the income tax of Canadians because $60 million will have to be raised this year and double that amount next year. Those are the things that happened. They brought out this new scheme; they said, "Here is the money", which they had refused two weeks earlier. But they went further and they said to the premier of Quebec, which was the fact, that his plan was immeasurably better than the ill digested plans they had placed before the house.

On May 14 the Prime Minister (Mr. Pearson) wrote a letter to the premier of Quebec. He said:

I acknowledge your letter of April 29. I fully agree with you that the spirit which marked the recent arrangements between the federal government and the provinces must continue to inspire and characterize federal-provincial relations.

I am happy, in particular, that your government has decided to participate in the work of the joint committee on taxation...

I am also gratified by your approval of the pension plan which I outlined in its main aspects in my telegram of April 19. I intend to submit to parliament the proposed amendment to the constitution concerning supplementary benefits, as soon as it has been endorsed by the provinces.

Then he said this:

I have learned with pleasure that the preliminary meeting which the officials of our two governments held last week to make preparations for the negotiations which are to take place at the beginning of June on "contracting out", has been useful and fruitful.

Contracting out? What do the ministers surrounding the Prime Minister say about this? What about the Minister of Trade and Commerce (Mr. Sharp); what does he say about contracting out? I read from a speech which he delivered a few days before that particular date, when he said this, "some confusion on this point seems to have arisen as a result of the misbegotten phrase 'contracting out' ". I do not know where the illegitimacy comes in, but certainly that misbegotten phrase was the one that was created by the Prime Minister to describe what was being done. It is a matter of great interest to look back over the years and to read what some of these people said when evidence was given before a joint committee of both houses, upon which occasion the chairman of the House of Commons representation was hon. Jean Lesage. That was in 1950. They met together and called various witnesses before them—and one of them was Mr. Mitchell Sharp.

Some hon. Members: Oh, oh.

Mr. Diefenbaker: He gave evidence which is reported at page 950 of the minutes of proceedings of the joint committee on old age security; this was for the financing of a plan of old age security for Canadians, and there was presented a brief prepared for the joint committee by the Department of

Finance. I ask hon. members to read this evidence. It bears about as much relationship to this present plan as does the present plan to the first one that was brought before the house. Mr. Mitchell Sharp gave evidence as follows:

> The fundamental characteristic of a "pay as you go" system is that those who are working pay the cost of providing pensions for those who have retired. The financing of a "pay as you go" system is a matter of distributing the current cost of pensions over the population in what is considered to be a proper way. In other words, it is essentially a revenue problem, even though the scheme may be "contributory" in the sense that it is paid for in whole or in part by a special levy or contribution.

Then he referred to the deferred equity plan. But the interesting thing in connection with this matter is that among the witnesses who gave evidence was none other than the present Secretary of State (Mr. Lamontagne). He gave evidence at that time and he gave his views in regard to various matters. This is of interest. This is the Secretary of State, Mr. Speaker; the man who over and over again criticized us because we had budget deficits, created as a result of the extra assistance we gave to the provinces. What did he say when he gave evidence here in parliament? At page 1041 he is reported as having said this—and I refer to Professor Lamontagne:

> Q. For general taxation purposes, then, that would assume that the taxes levied upon us now are excessive and not needed for the general revenue of the country?
> A. Yes.

Just prior to answering that question there is this passage:

> Q. Do you mean you would lower the income rate as it now exists?
> A. Yes, for general taxation purposes.

This was the economist talking, not the politician. A little further on it becomes even more interesting as he gives his general views on the question of the economy. I wonder whether he has whispered any of these things to the Prime Minister and the other members of the government:

> Q. You say you would therefore lower them? Assuming that we continue to receive the revenue we now get for expenditures that are necessary, do you say that we should lessen those expenditures?

Here is his answer:

> Not lessen our expenditures—

In that this government has certainly run true to the Lamontagne viewpoint of 1950. They have not lessened our expenditures; they have increased them by several hundred million dollars.

Some hon. Members: Hear, hear.

Mr. Diefenbaker: I bring this to the attention of the government. He said, "Not lessen our expenditures"—and certainly they have learned that lesson. They did not need the Secretary of State to give them that advice. This is the next part of his answer:

> —but I do not believe in the balanced budget—

This is interesting. This is one of the ministers of this government talking. Now we begin to see why the talk of a balanced budget has now ceased and does not have any efficacy in their thinking. Then he said:

> —and I think we will experience deficits in the near future.

Those prophecies on the part of the Secretary of State, Professor Lamontagne as he then was, came a lot nearer to the facts and were much truer than those of the Minister of Finance (Mr. Gordon) in "Troubled Canada." Professor Lamontagne was asked this question a little later on, as reported at page 1042:

> When you spoke of reducing the rates of income tax you had in mind the fact that today we are spending, in our budget, about $100 million on old age pensions; and you say you would take that out of the budget, put it in the social security levy, and reduce the income tax by the amount that results in the $100 million of taxation?

His reply was:

> Not necessarily; but that is another question.

Then he was asked:

> Subject to what you said about balancing the budget?
> A. No, I do not favour a balanced budget.

This is tremendously interesting. I suggest, sir, that when we come to financing this new plan of social security Mr. Lamontagne be called in, and his professional opinion that the time has come for a reduction in income tax be carried into effect, regardless of whether or not there is a balanced budget, because when he was an economist before he became a politician he did not believe in a balanced budget.

Some hon. Members: Hear, hear.

Mr. Diefenbaker: What about this plan?

An hon. Member: He would take off the sales tax, too.

Mr. Diefenbaker: Yes. He spoke of a reduction in taxation. Certainly no government in so short a time has increased taxation on so many.

Some hon. Members: Shame.

Mr. Diefenbaker: They talk about reducing taxes. If the Minister of Trade and Commerce were not in Saskatoon trying to sell a second class product today to the people of that city in my province, I would refer to the fact that they pointed out that a sales tax on building materials would increase the cost of construction. He apparently did not want anything of that. This is before Mitchell Sharp, the economist of 1950, became Minister of Trade and Commerce in the government of 1964.

It has been, Mr. Speaker, an interesting study in the course of manipulation in planning, a sinuous course which has been followed by this government and which now culminates in the application of something which each and every one of those who sit opposite and talked about it said was unnecessary, namely an amendment. Mr. Speaker, you are not surprised, you are not shocked, you are not disturbed. You have seen so much of this in the last 14 months that you would be surprised, shocked and disturbed were the government not to follow this course in this case, as in so many others. We thought we had touched bottom with changes, alterations, withdrawals and retreats one after the other as this government brought in some measure or other, advanced it to the house and then took it away again to be amended. Take for example the pension plan, which was brought in with a blare of trumpets and then taken back to the workshop of the minister of health and welfare even before it got on the road. Then it was found that it would not operate and the government produced another plan. Then they found that would not operate. As I was saying, we thought we had touched bottom, but this government has shown unfathomed depths in its incapacity in this case as in so many others.

What will be next, Mr. Speaker? We said 14 months ago that this amendment was necessary. At that time we did not have the same minister of justice. That minister of justice has gone to another reward; I do not know whether that was because of his opinion given in 1964 that a constitutional amendment was not necessary. I am sure the present minister would never have agreed with that, otherwise we would not have this measure before us today.

What I am saying, Mr. Speaker, is that this is the kind of dawdling and playing around which has characterized this government. I was in Saskatoon yesterday—I notice my absence was noted—and I think the harvest looks pretty hopeful. I found the people there talking about this pension plan, and they are starting to ask when they will get it. You remember, Mr. Speaker, immediately after the election the old pensioner who thought he was going to get an extra $10, but who found that the government would not act until we forced them by moving an amendment. This plan which will be brought in—providing there is not yet another change —will not be in effect for a long while. Payments will start, as I recall it, in 1966; contributions will start earlier. When the government brings in this legislation I think they should widen the powers for which they are now asking in the amendment so as to cover additional possibilities which may arise in the future.

As far as this amendment is concerned, we support it. We said that it was necessary in 1962, when this contention was ridiculed by those opposite. I am not going to clutter the record by repeating the loud denials of the Secretary of State for External Affairs (Mr. Martin), or the lesser ones of the Prime Minister (Mr. Pearson), or of other ministers, this galaxy who today occupy the front benches of the government. I would simply point out this—and it cannot be denied—that what they said was unnecessary is today the necessity which we said it was. When this amendment is passed, as I am sure it will be, and Westminster makes it law, we can thereby proceed to start to retrieve the loss of 14 months caused by the incapacity and stubborn tenacity with which this government bulled its way ahead, bringing in plans for parliament which were ineffective, ill-born, or at least ill-conceived. After 14 months what we said was necessary then is now being done.

We support this amendment and welcome the fact that it is being brought in now. I conclude where I began, namely by saying, what a commentary this is. When the front benchers of this government talk in such stentorian tones of what they are doing to bring about national symbols and national unity, while at the same time bringing about symbols of national disunity, we have to go to Westminster and say, "Will you please allow us to amend our constitution?" Not because this is what Westminster wants, but

because there is not in this country of Canada that oneness, that determination of Canadians whatever their province, to join together as one nation to make this a great nation. No nation can achieve greatness when there are divisions within it which deny the right of the parliament of one's country to deal with one's own constitution.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, we regret that there have been so many delays in connection with the proposed Canada pension plan. However, we are hopeful that this third start may be more successful than the other two turned out to be. There have been a number of references this week to history. Perhaps I might see a hopeful omen in the fact that we are making this third start on the 56th anniversary of the day that the first legislation in this country respecting pensions was dealt with in the House of Commons of Canada. It was on June 18, 1908, a day that I have a personal reason for recalling, that the Government Annuities Act was given its second reading and put through committee of the whole. Perhaps on this occasion a third start to the Canada pension plan on June 18, 1964, will be a little more successful.

Since there have been these delays, Mr. Speaker, we are also glad that the point has now been reached where we are facing the necessity of obtaining an amendment to the constitution. I should like to look at this question of obtaining an amendment to the constitution a little more objectively than, in my opinion, the previous speaker did. The fact is that prior to 1951 there were no references in the constitution to old age pensions, and therefore such old age pension legislation as we had was ours because it did not involve any direct tax or direct contribution for old age pensions. In other words, the original old age pensions act of 1926 was possible without any special authority in the British North America Act.

But when in 1951 it was proposed, as a result of the work of the committee on old age security to which the Leader of the Opposition (Mr. Diefenbaker) referred, to bring in an old age security act, it was the opinion of the law officers that we had to obtain an amendment to the constitution. Why? Not because there was anything essentially different in the pensions that pensioners would receive—even the removal of the means test was not a constitutional problem—but because special taxes were going to be collected, taxes that were earmarked for the specific purpose of pensions. Therefore we had to obtain the amendment to the British North America Act that is contained in section 94A.

But we have reached the stage in our amending of the constitution of Canada where we seem to feel we have to get unanimity among the provinces and the federal government, so each time we get an amendment we get just the amendment that we need to fit the piece of legislation that is in mind at the time. In 1951 all we were seeking to do was to provide a pension that was partially contributory in the sense that special taxes would be collected. But it was only an old age pension. It was payable only at age 70 so far as the Old Age Security Act was concerned, and so section 94A was written just to meet that particular situation.

It strikes me that the first and second versions of the Canada pension plan, the one that was first presented to us on July 18 last year and the one that was presented to us on March 17 this year, were in order under the constitution as the constitution stands, because those versions of the Canada pension plan did not go into the field of survivors' or disability benefits, did not provide for payments for anyone who was to be entitled to those payments on any basis other than age. The provision for widows in the first and second versions included the requirement that such widows be of a certain age, at least 65. So I think it is quite clear that as versions Nos. 1 and 2 of the Canada pension plan stood, no further amendment to the British North America Act was necessary.

The reason we now require one, the reason that the former government felt that it required an amendment to the British North America Act, was that the new plan, as indeed the legislation envisaged by the former government, goes beyond old age, goes into the field of benefits for people who are not old in age but who would qualify for those benefits because of being left as orphans or dependants or widows, or as persons who are disabled. The reason, therefore, that we require today an amendment to the British North America Act is that versions Nos. 1 and 2 of the Canada pension plan, as a result of negotiations with the provinces, have been enlarged upon. We are moving into a broader field and that is the reason we need an amendment today. We are glad that the negotiations with the provinces have resulted in this decision to move into these other fields and therefore we welcome the step that is now

being taken. I hope that this step being initiated today will be successful all down the line.

Remarks have already been made by the Prime Minister (Mr. Pearson) and by the Leader of the Opposition about the strange irony of today's proceedings. We are in the middle of a week in which most of the talk in this chamber has been about our national identity, around the flag, around the symbols of nationhood. Yet here we are, despite our national identity, despite our independence as a nation within the commonwealth, finding that we have to go to the legislative halls of another country to get an amendment to our own constitution. The Leader of the Opposition referred to the irony of this situation. I hope he will not mind my correcting his words slightly. I think he said it was ironical that we should have to make an address to the British parliament. Actually our address is not to the British parliament; it is to Her Majesty the Queen of Canada. But it amounts to the same thing because we are asking her to place our proposal before the parliament of the United Kingdom.

I think the Prime Minister put it very well when he said we are employing means strangely out of date and inappropriate. This is all very true, Mr. Speaker, and we say it every time we have to do it. Every time the necessity arises for an amendment to the British North America Act we go through the ritual we are going through today. We say it is strangely out of date and inappropriate, but that we have to fall back on it, that it is the only means we have.

The excuse for not having repatriated our constitution is, of course, an understandable one, namely that we have not been able to reach agreement among the provinces as to what kind of constitution we would provide in Canada, and as to what the arrangements would be for amending that constitution. I want to urge that we should not leave until we have drafted some perfect constitution, the question of repatriating our constitution, the question of bringing it to Canada and making it a Canadian document. I think we should be smart enough to find a way to bring to Canada the present constitution as it is, leaving to the future the working out of an arrangement for amending the various sections, particularly sections 91 and 92. I suggest that this could be done.

There was circulated among all of us a few days ago an address by a gentleman who is the head of one of the commercial firms in the country. I forget his name for the moment. As a matter of fact, I lent my copy to someone else so I do not have it with me. But I do know that in the course of that address this gentleman referred to the words of J. B. McGeachy, a name known to all of us, who made what I thought, even though oversimplified, was a useful suggestion. He said: Why do we not just pass an act here in Canada declaring that the British North America Act of 1867, as amended by all of the amending acts across the years, be known as the constitution of Canada and that it be amendable in Canada by a device to be worked out later? That is an oversimplification, of course. There are difficulties, particularly in the latter part of that suggestion, but it does seem to me that Mr. J. B. McGeachy has a suggestion that the experts and the lawyers should look at as one that we should try to carry out. I believe we could pass an act in the parliament of Canada making the present British North America Act and all of its amendments, by our say-so and with the approval of the representative of Her Majesty, an act or a series of acts of this parliament.

Mr. Muir (Lisgar): Could I ask the hon. member a question?

Mr. Knowles: Certainly.

Mr. Muir (Lisgar): Since the British North America Act was set up to provide for the authority of the provinces as well as that of the federal government, would we not have to have the concurrence of the provinces?

Mr. Knowles: This is a very good question. I want to answer it and I will be glad to do so, but I suppose I had better do so at eight o'clock. I have the answer but it is one minute after five.

Some hon. Members: Go on.

Mr. Knowles: All right, I will. I will be glad to. Mr. Speaker, may I try to answer this question as briefly as I can?

Mr. Deputy Speaker: Is that agreed?

Some hon. Members: Yes.

An hon. Member: No.

Mr. Deputy Speaker: There is not unanimous consent.

Mr. Knowles: You mean that one Conservative will not let another Conservative get an answer?

Mr. Deputy Speaker: Order. It being five o'clock the house will 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

CONSIDERED IN COMMITTEE—THIRD READINGS

Bill No. S-8, respecting The General Accident Assurance Company of Canada—Mr. Wahn.

Bill No. S-9, respecting Scottish Canadian Assurance Corporation—Mr. Wahn.

Bill No. S-14, respecting The Dominion Life Assurance Company—Mr. Weichel.

Bill No. S-12, respecting Allstate Insurance Company of Canada—Mr. Ryan.

THE BELL TELEPHONE COMPANY OF CANADA

Mr. J. E. Brown (Brantford) moved the second reading of Bill No. S-27, respecting The Bell Telephone Company of Canada.

[*Translation*]

Mr. L. J. Pigeon (Joliette-L'Assomption-Montcalm): Mr. Speaker, I should like to take this opportunity to say a few words.

I wish to point out to the house that the net income of the Bell Telephone Company of Canada for the year ended on December 31, 1963 amounted to $68.3 million.

Mr. Speaker, I wonder whether it would not be in the public interest that the federal charter of the Bell Telephone Company of Canada be completely revised, since in my opinion it is outdated.

I also wonder whether it would not also be in the interest of the Canadian people that the provinces consider the possibility of nationalizing the Bell Telephone Company of Canada within their territory.

Some hon. Members: Oh, oh.

Mr. Deputy Speaker: Order. If the hon. member will allow the Chair to interrupt him for a second, I should like him to show, if possible, how his remarks are related to the amendment before the house.

As the hon. member knows, he cannot take advantage of an amending bill to refer to other sections of the legislation to be amended.

Consequently, I would urge the hon. member to limit his comments to the substance of the amendment under consideration.

Mr. Pigeon: Mr. Speaker, if I refer to section 1 of this bill, I notice that subsection 8 reads as follows:

The business of the company shall be managed by a board—

[Mr. Deputy Speaker.]

If they want to increase the number of directors, it is surely to look after the business of the company. That means look after the company's earnings. Therefore one can surely talk about the earnings and profits made by the Bell Telephone Company of Canada in the Canadian areas where it is operating.

In short, that certainly allows me to make the necessary remarks as far as that public utility company is concerned. That is why I referred earlier to the net income of $68 million realized by the Bell Telephone Company of Canada. It is the largest monopoly in the world. There is none larger or more powerful in the whole world.

It is time that authorities concerned assumed their responsibilities and amended first the federal charter of the Bell Telephone Company of Canada, which is a state within a state.

I do not wish to question the devotion to duty of this company's employees, who work in the best interests of the Canadian people. However, I feel bound to draw to the attention of the house this powerful monopoly, the Bell Telephone Company of Canada.

I remember that, at a convention held by the chambers of commerce in L'Assomption, nationalization of the Bell Telephone Company of Canada was requested. Several organizations have also talked about that in the past and they are still talking about it.

With your kind permission, Mr. Speaker, I will read a few extracts of the report which was submitted by the chamber of commerce of L'Assomption about this matter.

[*Text*]

Mr. Francis: May I ask the hon. member a question. I am trying to follow the hon. member's remarks and he is probably aware, as are other hon. members, that most of the business of this company is outside the province of Quebec. Is he relating his remarks only to the activities of the company in the province of Quebec, or to its activities in the whole of Canada?

[*Translation*]

Mr. Pigeon: Mr. Speaker, the charter of the Bell Telephone Company of Canada is a federal one, but the nationalization of that company is a provincial matter. First of all, may I point out that I encourage my province to take the necessary action to nationalize that company as soon as possible. I have nothing against that company's employees who give the best of themselves in the public interest;

besides they are very well treated by the authorities of the Bell Telephone Company of Canada.

That company is very good to its employees but in a great number of regions in Canada it has no competition, it is entirely free to do as it pleases. That is why I feel that it would be in the public interest to nationalize that company since such a decision is up to the provinces.

In my view, the federal charter of the Bell Telephone Company of Canada is too old. Until the provinces take the necessary steps to nationalize the company within the scope of their jurisdiction, I feel that in the public interest the government should amend the act and refer the charter of the Bell Telephone Company of Canada to a special committee so that it might be brought into line with present day circumstances since, in my opinion, the company often abuses the wide powers it enjoys under its charter.

If I may, Mr. Speaker, I will give a summary of the discussions held at the convention of the chamber of commerce of the Joliette-L'Assomption-Montcalm region—

Mr. Deputy Speaker: Order. I think I was very lenient with the hon. member, since I allowed him to stray quite far from the subject matter under consideration. If the hon. member would read the explanatory notes of the bill, he will realize that the bill now before the house is rather limited. It deals exclusively with increasing the number of directors from 15 to 20.

I do not think that an amendment as explicit as this one permits discussion in this house of all the sections of the act concerning the company in question.

Mr. Pigeon: Mr. Speaker, if it is decided, through this bill, to increase from 15 to 20 the maximum number of board directors, it is surely because the Bell Telephone Company of Canada has made enormous progress in the country where it operates. This is one of the reasons why I wanted to draw the attention of the house to the huge profits made by that company. If profits were only $4 or 5 million, it would be acceptable, but they are of the order of $68 million, and it is only for that reason that—

[*Text*]

Mr. Pennell: I wonder if I may be allowed to ask the hon. member a question purely for my own information. Are there any other telephone companies operating in the province of Quebec?

[*Translation*]

Mr. Pigeon: Mr. Speaker, I am glad to answer—

[*Text*]

Mr. Deputy Speaker: Order. I suggest the question asked by the hon. member concerns an aspect of the matter which is again irrelevant and out of order.

[*Translation*]

Mr. Pigeon: Mr. Speaker, the hon. member asked a question and, even if I come back to this matter, I can answer him without being out of order.

Mr. Deputy Speaker: The hon. member would be out of order if he were to reply.

Mr. Pigeon: I also agree that private companies such as that of Mr. Jules Brillant, a member of the legislative council, should be taxed and should not be granted an exemption.

If this bill to increase from 15 to 20 the number of directors is introduced, it is surely not because the volume of business of the Bell Telephone Company of Canada has decreased. Each year, on the contrary, their profits have been increasing.

Mr. Auguste Choquette (Lotbinière): Mr. Speaker, I think the point you brought up a moment ago should be insisted upon. We are only dealing with a measure of an administrative nature, and yet my hon. friend is showing himself a supporter of the socialist philosophy.

I understand that he has been rejected by his party since he showed his intention to vote against the union jack, but that is no reason to betray his party.

Therefore, I still insist that this bill is a purely administrative resolution and that there is no reason to expound virtually communistic principles simply because the bill seeks to increase the number of directors.

Mr. Pigeon: Mr. Speaker, I am pleased to reply to the hon. member who is still inexperienced in the house by telling him that every year I have spoken about the Bell Telephone Company, and I know that many hon. members, including the President of the Privy Council (Mr. McIlraith), agree with a good deal of my contentions even if they sit on the government side.

Mr. Choquette: Mr. Speaker, I rise on a point of order. The hon. member has no right to impute intentions, motives or feelings to an hon. member who is absent.

Mr. Deputy Speaker: Order. The hon. member for Joliette-L'Assomption-Montcalm.

Mr. Pigeon: As concerns especially the province of Quebec, there has been some improvement as regards the bilingual staff and the promotion of French speaking Canadians, but this improvement is insufficient and, moreover, there are still complaints about bilingualism as applied in the telephone book. Things are not perfect, and so if the company wishes to get the sympathy of some members in this house, if the company wants us to co-operate in helping it to increase the number of its directors so its profits will be increasingly exorbitant, it might start by granting adequate promotions to bilingual Canadians, especially in the province of Quebec, in order that the public of that province be adequately served, for it is entitled to be attended to in its own language, be it one or the other. Such is its right.

Mr. Speaker, that is why I wanted to avail myself of this opportunity—

Mr. Côté (Longueuil): Order.

Mr. Pigeon: Mr. Speaker, I request your co-operation. I think that my intentions are well known and that I am entitled to express my opinion. I do not think too highly of the remarks of the hon. member who remained seated. The hon. member for Lotbinière rose to his feet when he tried to make his point. The hon. member for Longueuil has no right to take advantage of the fact he is on the government side to make remarks contrary to the rules of the house.

I know the company is powerful and it sometimes uses the appropriate means to get rid of persons it finds embarrassing. I say that because it is now time, in 1964, that the company's charter be entirely reviewed, at least until it is taken over by certain provinces as a public enterprise. I think it is urgent that its charter be entirely revised.

I remember, Mr. Speaker, that a few years ago, the company decided to build a telephone exchange in the town of Repentigny, though it had not even asked the municipal authorities for the necessary permit. Building was started without the previous consent of the civic authorities in Repentigny by just using—

Mr. Deputy Speaker: Order. I once more ask my hon. friend to limit his remarks to the bill now before us.

[Mr. Choquette.]

[*Text*]

Mr. Francis: May I ask, do I interpret the hon. member's remarks as objecting to the head office of this corporation being in the province of Quebec, in the city of Montreal? Would he prefer to see it outside that province, outside that city?

[*Translation*]

Mr. Pigeon: Mr. Speaker, if the hon. member had visited the province of Quebec and more particularly the city of Montreal, a little more frequently, he would see that the Bell Telephone Company controls the whole city of Montreal, and a vast area in the province of Quebec.

I am surprised at the hon. member's standing up so vigorously for that company. Does he have shares or an interest in it? Personally, my only concern is to defend the interests of the people of Quebec, and I am speaking from that angle only. Moreover, I know that a great number of hon. members share my views.

I remember that, during a former session—and I see some hon. members who agreed with me—

Mr. Dupuis: Never.

Mr. Pigeon: I made speeches against the Bell Telephone Company of Canada. I made them in the public interest, and I think the time has come for the hon. members to muster enough courage to express their views, at least as far as the federal jurisdiction and charter of this powerful company are concerned, because this company is the most powerful monopoly, second only to that of Mr. Khrushchev in U.S.S.R. In my opinion, it is urgent that the federal government should refer the charter of this company to the committee so that it can be revised.

[*Text*]

Mr. Lloyd Francis (Carleton): I cannot allow the remarks of the hon. member for Joliette-L'Assomption-Montcalm (Mr. Pigeon) to go unanswered. I think he has made a despicable attack on a thoroughly reputable organization which is attempting to do a job. I would point out to the hon. member that the operations of this company extend substantially beyond the confines of one province, though the head office is maintained in one province. I must tell the hon. member that if attacks of this kind on businesses such as the Bell Telephone Company are kept up they will do nothing but harm to the province of Quebec, whose interest he is supposed to have at heart. I regret having to speak in

these terms, but it is the only language I can use in the light of the hon. member's own words, though it is language of a kind which hon. members of this house should refrain from using whenever possible. The head of this company is, I believe, a man whose native tongue is French. Lately the company has undertaken a program of public relations in an attempt to deal fairly and squarely with these issues, and I hope that when the board of directors is enlarged, representation will be given to the particular parts of this country in which its business is conducted.

Mr. Lamb: How many shares have you got?

Mr. Francis: I am not a shareholder in the Bell Telephone Company, and I will tell the hon. member that right away in response to his inquiry. But if the hon. member who made that interjection is thereby expressing agreement with the remarks made by the hon. member for Joliette-L'Assomption-Montcalm, I hope he will have the courage to get up and say so, because I think the people of Canada would like to know if he is a party—

Mr. Pigeon: I wish to ask a question. I would appreciate very much if the hon. member could name, around the world, another monopoly like the Bell Telephone Company of Canada.

Mr. Francis: Again I do not like to answer in elementary terms, but the understanding of the hon. member is very limited. It seems there is a public authority which regulates telephone rates. Public utilities are often given franchises, which means that because of the technical nature of the service offered it is recognized that only a limited number of organizations can operate it. The procedure then is to regulate rates and charges. If the hon. member feels that the board of transport commissioners, or whatever authority is regulating the rates is not doing its job, his proper course would be to complain to that authority. If he does not think this is the correct remedy, I wonder what he hopes to achieve by these diatribes, these attacks on the integrity of an organization which, as far as I am concerned, is conducting its business reputably and honourably as a good citizen of our community. I do not intend to sit back and allow this kind of irresponsible, ultra-nationalist, socialist thought to be placed on record in *Hansard* without an answer being made, because I will have no part of it in any way, shape or form.

Mr. Pigeon: How many shares do you have?

Mr. Francis: For the record, I am not a shareholder in this company, nor is my wife nor are my children nor, to the best of my knowledge, is any member of my family. But if I were, I would be proud of it.

[*Translation*]

Mr. Côté (Longueuil): Mr. Speaker, I rise on a question of privilege.

In the course of his remarks, the hon. member for Joliette-L'Assomption-Montcalm (Mr. Pigeon) said that I was speaking at the same time as he was. Now, I do not wish to discuss the principles he set forth, but I simply said that I find it strange that the hon. member for Joliette-L'Assomption-Montcalm should want to trade bilingualism within the Bell Telephone Company for large profits.

In fact, he said: We are prepared to let the company make tremendous profits, provided there is bilingualism in its administration. Those are the remarks to which I object.

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

Mr. Deputy Speaker: Perhaps I could make a ruling now on the question of privilege raised by the hon. member for Longueuil. I think there was no question of privilege.

Mr. Pigeon: Mr. Speaker, as far as the question of privilege is concerned, the hon. member for Longueuil made a serious charge against me. He misquoted my remarks. I said that until such time as the provinces which wish to, will take their responsibility, and more particularly the province of Quebec, to nationalize the service of the Bell Telephone Company of Canada within their territory, the Bell Telephone Company should give more encouragement to bilingualism in the province of Quebec and favour the promotion of French Canadians.

Mr. Côté (Longueuil): Mr. Speaker, on that same question of privilege—

Mr. Deputy Speaker: Order. The question of privilege raised by the hon. member for Joliette-L'Assomption-Montcalm is groundless. Perhaps some hon. members should explain their remarks, but such explanations do not really constitute a question of privilege.

[*Text*]

Mr. Olson: I rise on a point of order. When the hon. member for Joliette-L'Assomption-Montcalm was speaking I distinctly heard

him—over the translation system—accuse the hon. member for Carleton of having, as motivation for his interruption, the fact that he probably owns some shares in the Bell Telephone Company. The hon. member for Carleton stated specifically and clearly that he did not have any shares in this company. The hon. member for Joliette-L'Assomption-Montcalm interjected on two occasions since then, saying "How many shares have you got?" This is a direct violation of the rules of this house and I think the hon. member for Joliette-L'Assomption-Montcalm should apologize. I do not believe any member of this house should be able to get away with accusations of that kind and persist in them, despite a denial.

Some hon. Members: Hear, hear.

An hon. Member: The hon. member for Victoria, Ontario, made the same interjection, and those remarks also apply to him.

Mr. Deputy Speaker: I am sure it is not right for a member to suggest that other hon. members are contributing to a debate because they have a financial interest in a particular matter. I am sure the hon. member for Joliette-L'Assomption-Montcalm (Mr. Pigeon) and the hon. member for Victoria, Ontario (Mr. Lamb) did not wish to impute motives to the hon. member for Carleton (Mr. Francis), and I have the impression he was satisfied with this when he rose and denied that he had a financial interest in the company in question.

Perhaps the hon. member for Joliette-L'Assomption-Montcalm and the hon. member for Victoria, Ontario will accept the suggestion I am making to them, that they did not intend to impute to the hon. member for Carleton any such motive, and we might leave it at that.

[*Translation*]

Mr. Auguste Choquette (Lotbinière): Mr. Speaker, in answer to the remarks of the hon. member for Joliette-L'Assomption-Montcalm (Mr. Pigeon), I just want to say how surprised I am to detect an obvious incompatibility between his party's principles and the socialist doctrine—

Mr. Pigeon: Progressive Conservative.

Mr. Choquette: —which he advocated in his remarks.

Private enterprise is the system which we respect in Canada, and I think that a great number of Canadians would like to see this system of private enterprise maintained, encouraged and strengthened.

[Mr. Olson.]

Mr. Speaker, if private enterprise is successful, there is cause to rejoice. Of course, everyone is against monopolies which crush or oppress, but that is not a sufficient reason for allowing the state to increase unduly its interference and to impose controls such as those advocated by the hon. member for Joliette-L'Assomption-Montcalm.

The Bell Telephone Company of Canada is a prosperous company, everyone knows it, and I think that is to the credit of its president who is a French speaking Canadian. The service that the Bell Telephone Company of Canada gives to all its customers is excellent and I do not see how the hon. member for Joliette-L'Assomption-Montcalm can reach such radical, extremist and derogatory conclusions as those he expressed a few moments ago.

Mr. Speaker, I will not speak very long, but I could not let the rather wild remarks made by the hon. member for Joliette-L'Assomption-Montcalm go unchallenged. I no longer recognize in him the pupil of Messrs. Antonio Barrette and Maurice Duplessis, the greatest enemies of nationalization and socialization, and I wonder what happened to the pupil of Messrs. Duplessis and Barrette—

Mr. Pigeon: Mr. Speaker, I wish to direct a question to the hon. member.

Mr. Deputy Speaker: Order. Before the hon. member for Joliette-L'Assomption-Montcalm speaks again, I take the liberty of reminding the hon. member for Lotbinière that he is also straying away from the matter in hand.

Mr. Pigeon: Mr. Speaker, I should like to direct a question to the hon. member and ask him why he bears Mr. René Lévesque a grudge for having nationalized the Shawinigan Falls company which was a very small company compared with the monopolistic Bell Telephone Company of Canada.

Mr. Deputy Speaker: Order. The question of the hon. member for Joliette-L'Assomption-Montcalm is definitely out of order.

Mr. Choquette: Mr. Speaker, I would have liked very much to answer the hon. member's question, but if you rule it out of order, I shall abide by your ruling. However, I had a ready answer.

There is no comparison possible between the nationalization of power companies and that of the Bell Telephone Company of Canada. In any case, since the nationalization of power

companies is most advantageous to the province of Quebec, I do not see why the hon. member for Joliette-L'Assomption-Montcalm is against it.

Mr. Speaker, the bill before the house deals with the activities of the Bell Telephone Company of Canada and section 1 reads as follows:

> The business of the company shall be managed by a board of not less than five nor more than 20 directors, as may from time to time be determined by resolution of the shareholders, and each such director shall be proprietor of at least ten shares in the capital stock of the company, or such other additional number of shares, not exceeding forty additional shares—

Mr. Speaker, I cannot see how the hon. member for Joliette-L'Assomption-Montcalm could enter upon such a ridiculous course as he did a while ago, when we are merely asked to increase the number of directors from 15 to 20.

Here is a company which has a gigantic capital and manages a gigantic affair. It merely asks that the number of its directors be increased.

The hon. member for Joliette-L'Assomption-Montcalm takes this opportunity to engage in quite a ridiculous demagogy and deliver an emphatic speech requesting the nationalization of a company which is merely submitting a petition of an administrative character, asking for an increase in the number of its directors.

What is wrong with that, Mr. Speaker? What is wrong with the fact that a company requests an increase in the number of its directors?

When a company does good business, it is quite normal and legitimate on its part to look for an increase in the number of its directors, with a view to better efficiency which, besides, has been excellent up to the present. Now, the company is more ambitious than that. It wishes to improve its efficiency. In my opinion, it is perfectly justified in submitting to the House of Commons the bill before us, and I feel that the hon. member for Joliette-L'Assomption-Montcalm is going astray—and it is not the first time, as everyone knows. Everybody knows, Mr. Speaker, how he flies off at a tangent when a serious matter is being discussed; he always tries to divert the question and invariably places it on the level of petty politics.

Mr. Pigeon: I rise on a question of privilege, Mr. Speaker. The hon. member for Lotbinière (Mr. Choquette) claims I am not acting in the public interest in this house. He has no right to question the work I am doing in the House of Commons and, if he wanted to prove he is working in the public interest, he could be present in the house more often and follow the example of the member for Joliette-L'Assomption-Montcalm.

Mr. Choquette: I am taking note of the comments made by the hon. member for Joliette-L'Assomption-Montcalm, but—

Mr. Dupuis: Ridiculous.

Mr. Choquette: —I doubt very much, Mr. Speaker, that his contribution in this house—

Mr. Deputy Speaker: Order.

Mr. Choquette: —is as valuable as he claims.

Mr. Deputy Speaker: I do not imagine the hon. member wishes to continue dealing with the contribution made to this house by another hon. member, nor do I think such is the question now before us.

Mr. Choquette: I thank you, Mr. Speaker. I shall continue my remarks on the bill under consideration.

I do not see why the member for Joliette-L'Assomption-Montcalm is opposed to the bill, for I remember that the number of members on the C.N.R. board of directors was increased from seven to 12 under a Conservative government. The principle of Bill No. S-27 is exactly the same. I do not see why the hon. member is so strongly opposed to it—

Mr. Pigeon: It was a crown corporation.

Mr. Choquette: It does not make sense. Whether or not it is a crown corporation does not matter, Mr. Speaker, the principle is the same.

Mr. Dupuis: That is right.

Mr. Choquette: The hon. member for Joliette-L'Assomption-Montcalm should know —even if I know he does not know too much —that a crown corporation operates independently from the government. The government may sometimes grant financial aid to a crown corporation, but it operates as independently as a private company, like the Bell Telephone.

The bill seeks to increase the number of directors of the company, because it is expanding, prosperous, ambitious and daring in its prospects and its projects, and anxious to give satisfaction to the population. But the hon. member for Joliette-L'Assomption-Montcalm strongly objects to that. I wonder

about the logic of his attitude and what he is driving at.

That is why I want to conclude by saying that the bill before the house is excellent. We are dealing with a highly efficient company and it would be advisable to grant what it is asking the House of Commons.

[*Text*]

Mr. H. W. Herridge (Kootenay West): Mr. Speaker, wonders never cease. When I heard the hon. member for Joliette-L'Assomption-Montcalm (Mr. Pigeon) urging the nationalization of the Bell Telephone Company I realized that his close association with this group has had some influence on his political philosophy. We are pleased to welcome him into the ranks of those who see the necessity for the public ownership and control of public utilities such as the Bell Telephone Company, and so on.

[*Translation*]

Mr. Choquette: Communist.

Mr. Pigeon: Mr. Speaker, the hon. member for Lotbinière called me a communist—

Mr. Dupuis: Mr. Speaker—

Mr. Pigeon: —he should withdraw his remarks—

Mr. Dupuis: —I rise on a point of order.

Mr. Pigeon: I rise on a question of privilege, which has priority over a point of order, as you should know as Minister without Portfolio.

Mr. Deputy Speaker: Order.

[*Text*]

Would hon. members resume their seats. I believe the hon. member for Joliette-L'Assomption-Montcalm (Mr. Pigeon) is rising on a question of privilege.

[*Translation*]

Mr. Pigeon: Mr. Speaker, the hon. member has made an accusation against me which is absolutely false and ridiculous.

If a government has ever nationalized crown corporations, it is certainly this government. On the other hand, the Quebec government has nationalized the Shawinigan company and I do not think that it is a communist government.

Mr. Deputy Speaker: Order.

Mr. Pigeon: The hon. member should withdraw his words.

Mr. Deputy Speaker: I did not hear what the hon. member for Lotbinière said.

[Mr. Choquette.]

Mr. Dupuis: He said that Khrushchev was a communist.

Mr. Deputy Speaker: If the hon. member for Joliette-L'Assomption-Montcalm objects to certain words, he should mention them and then we could hear the possible explanations or the withdrawal of those words by the hon. member for Lotbinière.

Mr. Pigeon: Mr. Speaker, I have specifically mentioned them. I would not want the hon. member to mistake the member for Joliette-L'Assomption-Montcalm for his father who was a member of the Godbout administration, the most rotten administration the province of Quebec ever had.

Mr. Deputy Speaker: Order.

Mr. Choquette: That is communism, Mr. Speaker.

[*Text*]

Mr. Herridge: Mr. Speaker, these interruptions are interesting and somewhat unusual. However, I think it is most unfair for the hon. member for Lotbinière (Mr. Choquette) to suggest that the hon. member for Joliette-L'Assomption-Montcalm (Mr. Pigeon) is a communist. The hon. member for Joliette-L'Assomption-Montcalm could just as well say that the hon. member for Lotbinière is a communist because the communist party supports the Pearson pennant. I do not think this makes any contribution to the debate, but it does indicate what a ferment our society is in. Never did I expect to see the day when a member of the Progressive Conservative party would take such a strong stand with respect to nationalizing a public utility, and I congratulate the hon. gentleman. In contrast, let us remember the great advocate of republicanism, liberalism and freedom from control who has just made a blatant defence of one of the worst forms of free enterprise. We have the worst form here, because the Bell Telephone Company is controlled by the American Telephone Company, a fact which we discovered during hearings of the committee on railways, canals and telegraph lines some years ago. We also discovered that it is controlled to the extent that all the patents used by the Bell Telephone Company are controlled by a subsidiary of the American Telephone Company.

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

Mr. Herridge: Certainly.

Mr. Choquette: I should like to ask the hon. member whether he himself is the owner of a private telephone company.

Mr. Herridge: Yes, I am quite willing to admit that. Under the isolated circumstances in which I live my family owns a 40 mile telephone line in order to telephone our neighbours. Let me say that it is operated on a community basis and is a thoroughly socialist enterprise. We lose several hundred dollars a year, and we make no profit whatever because we provide free service to a number of the members of the community. We have one subscriber who pays us $2.25 a month. So I am really fulfilling the functions of a public utility which, to date, the B.C. Telephone Company has not wished to assume, although I have suggested to the company on a number of occasions that it would be very nice if they would purchase our company, and give this profit free service.

Mr. Choquette: Would the hon. member permit another question. I am wondering whether the hon. member would easily accept the nationalization of his own company?

Mr. Herridge: Yes, that is what I am getting at. We would be delighted. We are carrying it on at considerable loss because of our public spiritedness, which we can scarcely afford.

Now, Mr. Speaker, I support the principle of the argument put forward by the hon. member for Joliette-L'Assomption-Montcalm, and I can see from the nodding heads that he has many other converts to this principle in the Progressive Conservative party. This shows that you cannot judge the political philosophy of parties today, whether they be Conservative or Liberal; it depends so much on the individual nowadays. But I for one, and I know I also speak for the members of my party, am very pleased to see this conversion to our political philosophy and their advocacy of the same in the House of Commons. We trust that serious consideration will be given by the persons concerned, particularly the people of Ontario, to bringing this company under public ownership so that the profits remain in Canada, the control returns to Canada, so Canadians will also have full control over the services. I do not criticize any officers of the company under these circumstances; they are simply performing their duties under a free enterprise, profit seeking system. In conclusion, I did not intend to speak in this debate, but my heart was warmed and thrilled on listening to the speech of the hon. member for Joliette-L'Assomption-Montcalm.

[*Translation*]

Mr. Gilbert Rondeau (Shefford): Mr. Speaker, I have a few remarks to make concerning Bill No. S-27 respecting The Bell Telephone Company of Canada.

In principle, this bill is rather simple, as noted by several other members who have spoken before me, because it only requests an increase in the maximum number of directors from 15 to 20, that is five new directors.

Now, this bill has not yet been considered by the committee on railways, canals and telegraph lines. In my opinion, several items could have been cleared up before it is passed tonight.

We would like to know the number of capital shares of this company at present, the Canadian shares and the American shares. We would also like to know the names of the directors of this company. We would like amendments to be brought in after explanations have been given.

That is why we would like to have more time to consider this bill, since the last paragraph provides that the majority of the directors shall reside in Canada. In my opinion, it is not so much the appointment of five other directors which is important but rather the number of new shares which will be necessary to get those directors elected.

Indeed, if the company has developed—and I must admit that it gives good service in general, although there may be some places in Quebec or elsewhere in Canada where the service is not quite as good—it should be able to appoint five new directors if it is authorized to do so.

This company will be able, at the same time, to look carefully into the complaints made in the house today.

I do not agree at all with the hon. member for Joliette-L'Assomption-Montcalm who suggests—

Mr. Choquette: He is not the only one.

Mr. Rondeau: And not necessarily with the hon. member for Lotbinière who suggests that the hon. member for Joliette-L'Assomption-Montcalm is actually urging that the Bell Telephone Company of Canada should be nationalized.

As a matter of principle, we have always been against the nationalization of companies,

because while we feel that a trust or private monopoly is bad, a state monopoly is no better.

It would be a lot easier to inquire into the rates charged by the Bell Telephone Company of Canada for long distance calls as well as for service, which are too high, it is true; in fact, we must admit that the rates are too high and that they are rising steadily.

The company of course makes a profit, of which I am not jealous. It is quite all right for the shareholders who have invested some capital in the Bell Telephone Company of Canada to make a profit. But, in view of the fact that, at the present time, that company has a monopoly which gives it absolute control, if we want to call it that, over all the long distance or other telephone services in the province and in the country, it is free from any competition and it is, therefore, in full control of the situation.

For instance, it is very costly to make a long distance call to a place located only 50 miles away, whereas if the call is placed to a very distant place, the charges are low, so to speak. I have placed calls to places located only 50 miles away, which cost me $2.00, that is the same as for calls lasting the same length of time to Toronto, which is located 300 or 400 miles farther.

I feel that if five new directors are appointed, if everything remains the same within the Bell Telephone Company, surely it is our responsibility to keep our eyes open about the activities of that company which now has a monopoly and absolute control over that service.

I would rather favour the establishment of a control board that would examine the administration of the company outside of the present board of directors, which will be enlarged.

The hon. member for Joliette-L'Assomption-Montcalm said that he was in favour of a state enterprise; we already have one in the province of Quebec.

As far as the hon. member for Lotbinière is concerned, he has contradicted himself. He has praised private enterprise and said that it was the best production system in the world.

An hon. Member: It is true.

Mr. Rondeau: And in his concluding remarks, he said that the nationalization of electric power in the province of Quebec was a splendid achievement and very profitable to private enterprise and to the government. Whereupon, I might say that he has been as much of a demagogue as the hon. member for Joliette-L'Assomption-Montcalm.

Mr. Speaker, I would suggest that the management of that important company throughout Canada be thoroughly examined by the committee on railways, canals and telegraph lines, which has not yet had the opportunity of studying the bill. However, the present management of the company would be asked a great many questions. Some improvements might be suggested—for instance, that Canadian capital in this company be raised to 51 per cent.

I wonder whether the bill before us is not rather a means of transferring an apparent American control into the hands of some new Canadian directors, in order to avoid the 15 per cent tax on American capital in Canada.

Therefore, Mr. Speaker, I brought those few remarks to your attention, in order to ask the house to refer the bill to the committee on railways, canals and telegraph lines, so as to have various aspects of the matter thoroughly examined.

[*Text*]

Mr. M. J. Moreau (York-Scarborough): Mr. Speaker, it was with a great deal of surprise that I noted the heat which this simple little bill has generated. I cannot see why the hon. member for Joliette-L'Assomption-Montcalm (Mr. Pigeon) raised the argument he did. I just cannot see where the adoption or rejection of this bill has anything to do with the nationalization of the Bell Telephone Company, and I would suggest to the hon. member that if he has strong feelings in this regard the proper place to make such a speech would be in the provincial legislature of either Ontario or Quebec.

It is interesting to listen to the arguments advanced by the hon. member who just took his seat with regard to monopoly type corporations, public utilities which are virtually in themselves monopolies, and I think many members would have some sympathy with the idea of nationalization in an industry where competition is impossible. But as I said, I do not see how the adoption or rejection of this bill has anything to do with the nationalization of the Bell Telephone Company.

I wonder about the motives of the hon. member for Joliette-L'Assomption-Montcalm in making the speech he did at this particular time. I would certainly have appreciated it if the hon. member had risen and withdrawn the remarks he made about the hon. member

for Carleton (Mr. Francis) concerning the ownership of shares. If the purpose of the hon. member's imputation was not to discredit the hon. member for Carleton, I do not know why it was made at all. I think we would have all been interested in hearing an explanation from the hon. member rather than from yourself, Mr. Speaker.

I would be quite prepared to entertain arguments for and against nationalization, particularly in the case of a utility company which by its very nature is monopolistic. However, I must remind the hon. member for Kootenay West (Mr. Herridge) that whereas the charges of foreign ownership may be true in part there is another side to the argument. I think all hon. members know that the Bell Telephone Company of Canada does have its shares listed on the Toronto and Montreal stock exchanges and also that there are thousands of Canadian shareholders of the Bell Telephone Company. As a matter of fact, it is one company in our economy that has been acting in every way as a Canadian citizen, and it has certainly played a very large role in the development of our communications system.

I would even suggest to the hon. member for Kootenay West that his telephone line would not be very much good if he did not enjoy the benefit of the communications system existing in this country brought about in large part through the co-operation of the Bell Telephone Company of Canada. I am not suggesting for a moment that the Bell Telephone Company or other telephone companies co-operate with the hon. member out of the goodness of their hearts. It is probably very good business for them to do so, although from the description of the operation given by the hon. member I am beginning to wonder how generous they are in some cases.

I find nothing objectionable in the bill increasing the number of directors. I also suggest to the hon. member for Joliette-L'Assomption-Montcalm that he may even find that the company is seeking to do this in order to increase the number of French Canadian directors on the board. I am surprised that objection has been taken.

Mr. Pigeon: Mr. Speaker, it is six o'clock. The hon. member has killed the bill. Six o'clock.

Mr. Deputy Speaker: Order. Shall I call it six o'clock?

Some hon. Members: Agreed.

Mr. Pigeon: You killed the bill.

[*Translation*]

Mr. Jean-Charles Cantin (Parliamentary Secretary to Minister of Transport): Mr. Speaker, may I have the consent of the house to refer Bill No. S-28 to the committee on banking and commerce?

[*Text*]

Motion agreed to, bill read the second time and referred to the standing committee on banking and commerce.

BUSINESS OF THE HOUSE

Mr. Deputy Speaker: It is my duty, pursuant to provisional standing order 39A, to inform the house that the questions to be raised at ten o'clock p.m. this day are as follows:

The hon. member for Acadia (Mr. Horner), Canadian flag, alleged card game concerning proposed design; the hon. member for Northwest Territories (Mr. Rhéaume), bilingualism and biculturalism commission, enlargement of scope of investigation; the hon. member for St. John's West (Mr. Cashin), transport, alleviation of great backlog of freight shipped to Newfoundland.

At six o'clock the house took recess.

AFTER RECESS

The house resumed at 8 p.m.

BRITISH NORTH AMERICA ACT

ADDRESS REQUESTING AMENDMENT TO PROVIDE FOR SURVIVORS' AND DISABILITY BENEFITS

The house resumed consideration of the motion of Mr. Pearson:

That a humble address be presented to Her Majesty the Queen in the following words:

To the Queen's Most Excellent Majesty:

Most Gracious Sovereign:

We, Your Majesty's most dutiful and loyal subjects, the ..... Commons of Canada in parliament assembled, humbly approach Your Majesty, praying that you may graciously be pleased to cause a measure to be laid before the parliament of the United Kingdom to be expressed as follows:

An act to amend the British North America Act 1867.

Whereas the Senate and House of Commons of Canada in parliament assembled have submitted an address to Her Majesty praying that Her Majesty may graciously be pleased to cause a measure to be laid before the parliament of the United Kingdom for the enactment of the provisions hereinafter set forth:

British North America Act

Be it therefore enacted by the Queen's Most Excellent Majesty, by and with the advice and consent of the Lords Spiritual and Temporal, and Commons, in this present parliament assembled, and by the authority of the same, as follows:

Amendment as to legislation respecting old age pensions. 30 & 31 Vict., c. 3; 9 Eliz. II, c. 2.

1. Section ninety four A of the British North America Act, 1867 is hereby repealed and the following substituted therefor:

Legislation respecting old age pensions and supplementary benefits.

"94A. The parliament of Canada may make laws in relation to old age pensions and supplementary benefits, including survivors' and disability benefits irrespective of age, but no such law shall affect the operation of any law present or future of a provincial legislature in relation to any such matter."

Short title and citation.

2. This act may be cited as the British North America Act, 1964, and the British North America Acts, 1867 to 1960, and this act may be cited together as the British North America Acts, 1867 to 1964.

Mr. Knowles: Mr. Speaker, when this debate was interrupted at five o'clock I was in the midst of making a suggestion as to a course of action that might save us from this ironical situation of having to send an address to Westminster every time we want an amendment to our constitution. Just at that point the hon. member for Lisgar (Mr. Muir) had asked me a question and I was prepared to answer but for the fact that some hon. members called it five o'clock. My hon. friend's question related to the fact that the British North America Act is the constitution, fundamentally, not only for Canada as a federal state but for our various provinces.

I believe I state my friend's question correctly when I say he asked me if I did not think the provinces should be consulted with respect to any basis upon which we would try to repatriate our constitution. I want to answer that question. May I do so, unless my hon. friend puts a further question to me, by stating what I think we should do.

The fact is, Mr. Speaker, that every time we require an amendment to our constitution we go through the same rhetoric that we have had in this house today. We say it is ironical; we say it is inappropriate, that it is out of date, but there is nothing else for us to do. We put off until some later time the actual repatriation of our constitution. I think it is fair to say that the repatriating of our constitution breaks into two parts. First of all, there is the question of getting it over here into Canada. Second, there is the question of reforming it, changing it to make it closer to what we might want. I think our difficulty is that we cannot do these two things at one and the same time because we cannot agree on a formula for amending the constitution, or the other changes we might want to make in it. Therefore we put off the first step of bringing it here to Canada.

My suggestion therefore is—and as I said this afternoon I took the idea from something attributed to Mr. J. B. McGeachy—that we should take the first step right away, that is we should bring to Canada our constitution exactly as it is now. We should not, in this first process, seek to make any changes in it at all. We should just bring it to Canada in its present form. I suggest that the way to do that is for us, in the parliament of Canada, to pass an act, which would have royal assent before it would be law, declaring the present British North America Act and all its amending acts to be statutes of the parliament of Canada.

At that point the hon. member for Lisgar put to me the question, should not the provinces be consulted before such a step is taken? I say, readily, the answer is yes.

Mr. Muir (Lisgar): I wonder if I might ask the hon. gentleman a supplementary question at this point?

Mr. Knowles: Certainly; go ahead.

Mr. Muir (Lisgar): Is it not a fact that the agreement of the provinces for the repatriation of our constitution has not been forthcoming in the past?

Mr. Knowles: Yes, that is true, because every time in the past we have tried to get provincial agreement to the repatriation of the constitution we have had, at the same time, a proposal for amending it. I think the provinces might agree to bringing the constitution to Canada, even though they would not agree to some particular change that is being proposed. I am trying to suggest a means of repatriation to which I think the provinces, after some consultation, would agree.

Let me outline briefly the situation as it now exists. When we want to get an amendment to the constitution, we think it is difficult. Actually, I do not suppose anywhere in the world the constitution of a state the size of ours can be amended with as little legislative process as is the case for Canada. What do we do? We pass a resolution in this House of Commons and we ask the members of the other house to pass the same resolution. In both cases, it is a one stage debate. It is not a bill with first, second and third readings or any committee of the whole stage. It is

just a one stage proposition so far as debate is concerned, and that is all there is to it.

The next step is for the address that has been passed at the one stage debate in this house and the one stage debate in the other house, to be transmitted to Her Majesty. She causes the bill that is included in our resolution to be presented to the parliament at Westminster. It is a rule with them over there not to discuss it at all. The bill is presented and somebody says in amazement, what is this? It is pointed out that it is a request from Canada for an amendment to the constitution of Canada, and it is passed without any debate whatever. Any suggestion that there is any protection, any hold-up in the amending of our constitution because it has to go to Westminster, is a myth. There is no protection; there is nothing there at all. It is the simplest legislative process for amending a constitution that there could possibly be. There is a one stage debate in this house, a one stage debate in the other house, and the rest of it is so much rubber-stamping, so much red tape.

If my hon. friend from Lisgar will hold his question for a moment, I suggest that instead of our passing an address to Her Majesty asking her to place our amending proposal before the United Kingdom parliament, we should pass an address of this house and an address of the other house to His Excellency, the Governor General of Canada, asking him to cause to be placed before the parliament of Canada a bill to amend the constitution.

I immediately direct hon. members' attention to the fact that that process would actually be legislatively lengthier than the present process, because then we would have the one stage debate which we have now on this resolution, and afterwards a bill would come before parliament with first and second readings, consideration in committee of the whole and third reading, in this house, and in the other place as well.

Some years ago there were amendments to the British North America Act which were obtained without the consent of the provinces. I recall in my own day in this parliament when one of the provinces actually objected to an amendment sought by this parliament. No attention was paid to that objection at Westminster. But in more recent years, with the exception of the amendments passed under our right to pass amendments to our constitution regarding things that are purely federal, any amendments that touched the boundary line between section 91 and section 92 of the B.N.A. act, in all cases were not sought by this parliament until it had the unanimous agreement of the provinces. That tradition, I suggest, is so well established that it is as good as law.

Just as this government, in the last few weeks or couple of months, has engaged in consultations with the provinces to get this amendment that is now before us for a specific purpose, in a similar manner I believe the provinces would agree to the kind of proposal I have outlined, because what we would be asking the provinces to agree to is just the taking of one step, bringing to Canada the present constitution exactly as it is without any change.

The only difference we would make so far as amending it—until such time as a constituent assembly might do something about it—the only change we would make, instead of going through the form we are now going through of sending an address to Her Majesty asking her to place a bill before the parliament of Westminster, is that we would pass a resolution addressed to His Excellency the Governor General of Canada, asking him to place a bill before parliament, and we would debate it ourselves.

Undoubtedly questions may be asked about this. Maybe somebody else has a better idea. But I do think it is something less than dignified for us to be talking so much as we are these days about our nationhood and independence, and yet forever to be going through this form of getting an amendment to our own constitution by having to send a request to the legislative halls of another country.

So, I place that suggestion before the house, before the government, hoping it might be thought about in between the times when amendments are introduced. This question never seems to be faced seriously except when we are actually in the throes of trying to get an amendment to the constitution. Unless some leadership along this line is given, then you can bet your last half dollar, or last half crown if you want—

Mr. Winkler: Or your boots.

Mr. Knowles: —or your boots, that come the next time for an amendment to the constitution, whatever government is in power will stand up and say again that this is an ironical situation, that this is outdated, that we should not be doing it this way, that we should have our constitution here, but that so far this is the only machinery we have got.

Surely the provinces have had enough experience with amendments that change the boundary line between sections 91 and 92 to know that no action is taken in that area without unanimous agreement among the provinces and the federal government. Surely, therefore, they would respond to this kind of suggestion. I believe all of them would feel happier if they knew we were doing it here.

I suspect that when this amendment reaches Westminster and the House of Commons and the House of Lords have to deal with it, some of the members will wonder what is going on that Canada, which they think of as an independent nation, equal in status with Britain in the commonwealth, has to send them such a request.

I suggest that this question be faced seriously. Let it not be something we just talk about. In the same way as we have taken other nettles and grasped them and tried to do something about them, we should grasp this one and achieve this symbol of nationhood, namely having our constitution here in Canada. I do not know if I have answered the question my hon. friend from Lisgar (Mr. Muir) had in mind or not, but I take it his silence gives consent.

Mr. Muir (Lisgar): I would be very pleased to oblige the hon. gentleman—

Mr. Knowles: The hon. member had better get to his own seat then.

Mr. Muir (Lisgar): May I speak from another seat here?

Some hon. Members: No.

Mr. Muir (Lisgar): Is it not a fact any time a discussion on the repatriation of a constitution has taken place with the provinces, one of the provinces in particular has trusted the British parliament more than it was willing to trust the Canadian parliament? Further, if the situation outlined by the hon. gentleman were achieved, is it not a fact that this particular province, or any province for that matter, could tie up the constitution for years in the Supreme Court?

Mr. Knowles: I thank my hon. friend for the question. First may I say it is my proposal that before we pass the kind of act I am suggesting we should consult with the provinces. The other answer I give is that unless I am mistaken—and I would be glad to be corrected if I am—each time there has been any discussion with the provinces about repatriating the constitution it has not been simpliciter, it has not been on the sole grounds of bringing the constitution to Canada as it now is. The discussion has always included some formula for amending it, some formula with respect to the dividing line between federal and provincial jurisdiction. My suggestion is that initially we bring the constitution to Canada unchanged, that we take it just as it is, for the sole purpose of having it come under our own national domain.

This debate, Mr. Speaker, revolves around two things, one being the method we have to use or get our constitution amended, and the other is the subject matter of the amendment that is before us in the resolution of the Prime Minister (Mr. Pearson). As has already been indicated, we welcome the subject matter of the amendment. We are glad that the current understanding between the federal government and the provinces is that a Canada pension plan, with provisions for survivor and disability benefits, is agreed upon, and we hope this amendment can not only be enacted at the earliest possible moment but that, without any delay, the new Canada pension plan itself will be brought in so that we can get it on our statute books.

For my part this is far more important than another matter that is under discussion these days, and I hope before the weather gets much warmer we will have gone through the whole process not only of getting this amendment but of getting the actual Canada pension plan on our statute books.

There are one or two things about the wording of this amendment that leave me with something less than complete satisfaction. This afternoon the hon. member for Calgary North (Mr. Harkness) asked the Prime Minister whether the proposed Canada pension plan would include a provision, for Canadians in the rest of the provinces, similar to that which the province of Quebec has announced for Canadians who live within that province. He referred in particular to a requirement that other pension plans dovetail in with the Canada pension plan in a certain way. I see the difficulties involved. I also see there is no chance of the federal parliament moving in that direction under section 94A as proposed. That is obviously in the field of property and civil rights and I would say that in this respect the amendment to the constitution we are considering does not go far enough. I must also draw attention to the fact that the phrasing of the section 94A which has now been agreed upon does not remove certain words which were there before—words which

seem to give to provincial legislatures the power in the future to veto, to declare null and void, decisions of the federal parliament. I am referring of course to the last few words which say:

> —but no such law shall affect the operation of any law present or future of a provincial legislature in relation to any such matter.

I suppose this was a case of having to present to us what could be agreed on by all 11 governments, but I think it is unfortunate that when 94A was being revised this somewhat complicated phrase which has stood in the way of certain other negotiations was not amended.

Perhaps it might be useful to have on record somewhere in today's *Hansard* the two sections 94A alongside each other. The Prime Minister and the Leader of the Opposition both referred in their speeches to the old section and to the new section. Neither of them read the sections in full. I should like to do so. Section 94A as it now stands, reads as follows:

> It is hereby declared that the parliament of Canada may from time to time make laws in relation to old age pensions in Canada, but no law made by the parliament of Canada in relation to old age pensions shall affect the operation of any law present or future of a provincial legislature in relation to old age pensions.

The new 94A as it will stand after this resolution is passed and the rest of the red tape has been completed will read as follows:

> The parliament of Canada may make laws in relation to old age pensions and supplementary benefits, including survivors' and disability benefits irrespective of age, but no such law shall affect the operation of any law present or future of a provincial legislature in relation to any such matter.

I do not intend to take these phrases and dissect them word by word. I would merely point out there has been a slight change in the wording of the opening part and also a slight change at the end. The change might not be material in either case, though one never knows what may happen when questions such as this go before the courts in the course of the years. The substance of the change is, of course, in the middle part of the proposed new section where there has been added to old age pensions the reference to supplementary benefits, survivors' and disability benefits irrespective of age.

I find it somewhat unfortunate that it was not possible to include wider provisions such as may be necessary with respect to disability pensions and survivors' benefits and, possibly, to the operation of the Canada pension plan as a whole. I think it is also unfortunate that this future veto power over federal legislation which seems to exist in the hands of the provinces under the wording of 94A, both as it now stands and as it will be after this resolution has passed, has been allowed to continue. Nevertheless, despite one's feeling that it should be better, it is good we should be taking this step; it is very good, in fact, that we are actually doing something about survivors' benefits and improving the position of people who are disabled during their working years. And I am glad to know that on the passing of this amendment to the British North America Act it will be possible to bring in the third version of the Canada pension plan which, despite the fact that it is still not all it should be, is an improvement over what we had in the two earlier versions.

So, I repeat, we welcome the substance of the amendment before us. We wish it were possible for us to do this piece of work—the amending of the B.N.A. Act—here in Canada as a grown-up nation. We hope we shall be able to attend to that matter very soon. In the meantime, once we do get this amendment through, let us get on with the job of placing this most important piece of legislation—I refer to the Canada pension plan—on the statute books of this country.

[*Translation*]

Mr. Gérard Chapdelaine (Sherbrooke): Mr. Speaker, I do not intend to speak very long and I do not pretend either to be an expert in constitutional matters. However, I would like just the same to express the views of our party about the proposed amendment under consideration.

First of all, I would like to say that we support that motion to amend the constitution because we have no choice in the matter; indeed at the present time, pensions which will be paid to widows, orphans, disabled people who have contributed to a pension plan could not be voted if we refused to approve that amendment to the constitution.

Nevertheless, may I make a few timely remarks in regard to the situation in which we are now faced with the problem of amending the constitution.

We already know that all provinces have agreed to that amendment, and we are glad to note that the province of Quebec has also given its assent. I believe that this province decided to agree following sensible negotiations.

If we examine both resolutions, we note a strange likeness between the two and it is for the benefit of this legislation that it will be passed.

The resolution concerning the amendment submitted by the federal government reads as follows:

> The parliament of Canada may make laws in relation to old age pensions and supplementary benefits, including survivors' and disability benefits irrespective of age, but no such law shall affect the operation of any law present or future of a provincial legislature in relation to any such matter.

The motion submitted to the Quebec legislature is drafted along the same lines and reads as follows:

> However, no existing law shall affect the operation of any law present or future of provincial legislatures in relation to any such matter.

We can conclude then that there has undoubtedly been consultation. I do not object to that; on the contrary, I am very happy about it.

I heard the Leader of the Opposition state this afternoon that he was unable to introduce his pension plan because the province of Quebec had not agreed to this amendment; I would say, Mr. Speaker, that if the province of Quebec refused its consent at that time, it was perhaps because the Diefenbaker government would not guarantee that the rights of Quebec would be safeguarded.

I think that any federal government should take this into account at the present time, because the province of Quebec, due to its present economic, cultural and social development, will never tolerate to have its rights infringed by a central government unwilling to acknowledge its special status.

I am glad that this government was successful in its negotiations with the province of Quebec in respect to this amendment. I am also convinced that if the Diefenbaker government had remained in office, it would have been impossible to reach an agreement because I am under the impression that the present Leader of the Opposition has some kind of grudge against Quebec which is becoming more and more obvious.

Mr. Pigeon: That is not true.

Mr. Chapdelaine: I shall even go further and say that if we still had a Conservative government in power, confederation would be a thing of the past, because Quebec would have separated.

Mr. Pigeon: What you are saying is untrue.

Mr. Côté: That is an impression.

[Mr. Chapdelaine.]

Mr. Chapdelaine: This is all the more true, Mr. Speaker, as—

Mr. Pigeon: Be logical.

Mr. Chapdelaine: —the Leader of the Opposition does not even have now the support of the Conservative members from Quebec.

Mr. Pigeon: Mr. Speaker, the hon. member has just made a gratuitous statement.

Mr. Chapdelaine: When the vote is taken on the flag issue, we will have an opportunity to see whether my contention is true or not.

If the present Leader of the Opposition had acted with more diplomacy when he wanted to negotiate with Quebec, I feel that he might have obtained the same results as both the provincial and the federal governments have obtained as far as relations with Ottawa was concerned.

Mr. Pigeon: Mr. Speaker, I would like to direct a question to the hon. member for Sherbrooke, if he will permit.

Mr. Chapdelaine: I have no objection.

Mr. Favreau: Mr. Speaker—

Mr. Pigeon: Sit down. I am going to ask my question. Is the hon. member talking about the Conservative party? Can he tell the house whether he shares the views of the hon. member for Cariboo (Mr. Leboe) who spoke on behalf of his party on the flag issue?

Mr. Chapdelaine: Mr. Speaker, I do not share them at all, and I am proud to say so.

Mr. Marcoux: Mr. Speaker, I rise on a question of privilege. The hon. member for Joliette-L'Assomption-Montcalm has just said that the hon. member for Cariboo spoke on behalf of his party, which is totally incorrect, since he said himself, on many occasions, and especially at the outset of his remarks:

> The views that I express will be entirely my own and certainly will not involve concurrence by any other member of this group.

I am asking the hon. member for Joliette-L'Assomption-Montcalm to kindly withdraw his words.

Mr. Pigeon: Mr. Speaker, I rise on a question of privilege. I am happy to find out, with my colleagues, that Mr. Thompson's party is divided in two, once again.

[*Text*]

Mr. Pickersgill: You had better get a mirror.

The Acting Speaker (Mr. Batten): Order. I think the debate is slowly drifting away from the resolution before the house. I ask the hon. member for Sherbrooke (Mr. Chapdelaine) to continue his remarks and to remain as closely as possible within the resolution before the house.

Mr. Pigeon: I support your views, Mr. Speaker.

[*Translation*]

Mr. Chapdelaine: Mr. Speaker, it may seem that I have somewhat deviated from the resolution before us, but I think that in the study of an amendment to the constitution, we should take into account the background and former work and see why there have been some failures and why we have not yet been in a position to repatriate our constitution.

I firmly believe, that the attitude of the Leader of the Opposition during the six years he was in power is the reason why we have not made any progress in that direction. The Leader of the Opposition—

Mr. Pigeon: Mr. Speaker, I rise on a point of order. The allegations of the hon. member for Sherbrooke are completely false, because if there is a party which has contributed to the promotion of the cause—

Mr. Favreau: Mr. Speaker—

Mr. Pigeon: Sit down. I rose on a point of order, let me speak.

Mr. Favreau: I rise on a point of order—

Mr. Pigeon: Do not apply closure. Sit down.

[*Text*]

The Acting Speaker (Mr. Batten): Order. Will both hon. gentlemen sit down, please.

Mr. Pigeon: The Minister of Justice (Mr. Favreau), too.

Mr. Favreau: Mr. Speaker—

Mr. Pigeon: Sit down, you. He refuses, Mr. Speaker.

The Acting Speaker (Mr. Batten): Order. The hon. member for Joliette-L'Assomption-Montcalm (Mr. Pigeon) rose on a point of order.

Mr. Pigeon: Yes, Mr. Speaker. He was on nothing.

Mr. Favreau: Mr. Speaker, I have risen on a point of order, too.

Mr. Pigeon: I was on a point of order. Sit down. You are after me.

Mr. Favreau: The hon. member for Joliette-L'Assomption-Montcalm was making a speech.

Mr. Pigeon: I am on a point of order. He is on nothing, on no point, Mr. Speaker.

The Acting Speaker (Mr. Batten): Order. Perhaps the hon. member for Joliette-L'Assomption-Montcalm would give the Speaker an opportunity to speak, and perhaps the Minister of Justice would allow me to hear the hon. member for Joliette-L'Assomption-Montcalm; and then I will hear the minister.

Some hon. Members: Hear, hear.

Mr. Pigeon: Thank you, Mr. Speaker; you protect the rights of the hon. member for Joliette-L'Assomption-Montcalm. Thank you very much. I disagree with the statement made by the member for Sherbrooke (Mr. Chapdelaine). He was completely wrong in his statement. Mr. Diefenbaker, my leader, did his best in the public interest, and we were defeated because of the collusion of the Liberals with Social Credit.

The Acting Speaker (Mr. Batten): I must advise the hon. member for Joliette-L'Assomption-Montcalm that, while he may have some disagreement with what has been said by the hon. member for Sherbrooke, I do not think the remarks he just made really constitute a point of order.

Mr. Pigeon: But I think the Minister of Justice—

The Acting Speaker (Mr. Batten): Order. The hon. member for Sherbrooke.

Mr. Pigeon: On a point of order—

The Acting Speaker (Mr. Batten): The hon. member for Sherbrooke.

[*Translation*]

Mr. Chapdelaine: Mr. Speaker, I have said and I repeat that if no progress has been made in the negotiations to repatriate our constitution during the last years, it is only on account of the attitude taken by the Leader of the Opposition and people such as the hon. member for Joliette-L'Assomption-Montcalm.

Mr. Speaker, how can we expect the Leader of the Opposition to get along with the Quebec Liberals when he is not even enable to get along with his own members from the province of Quebec? He could not even get the hon. member for Three Rivers to second his amendment on the flag motion—

Mr. Pigeon: That is untrue.

Mr. Chapdelaine: —and I shall go even further and say that he found no seconder for his amendment on the flag motion, as can be seen in *Hansard*.

[*Text*]

Mr. Muir (Lisgar): On a point of order, Mr. Speaker; this debate has strayed far away from the matter in hand, and I would suggest that the hon. gentleman who is now speaking is out of order.

Miss LaMarsh: Your leader started it.

The Acting Speaker (Mr. Batten): I would have to agree with the hon. member for Lisgar (Mr. Muir) and I will once again ask the hon. member for Sherbrooke to confine his remarks as closely as possible to the motion before the house.

Some hon. Members: Hear, hear.

The Acting Speaker (Mr. Batten): I am sure the hon. member for Sherbrooke will do that in the remaining remarks he intends to make.

[*Translation*]

Mr. Chapdelaine: In any case, I was coming back to more serious considerations.

Now that better relations seem to prevail between Quebec or French Canada and the federal government, now that people are beginning to understand that co-operative federalism can exist and that Canada can live with Quebec just as Quebec can live with Canada, we should consider repatriating the constitution immediately.

It was said this afternoon that the present situation is anachronistic because we have to go to London to vote pensions to needy mothers, widows and orphans.

At this point, I should like to quote the introduction of the speech delivered at—

[*Text*]

In a speech delivered to the judge advocate general's conference in Ottawa on May 3, 1961, Mr. Driedger, Q.C., in his introduction, said:

> Canada is unique among the independent nations of the world in that she does not possess complete power to amend her own constitution. Canadians are well aware of this limitation on the sovereignty of their nation and many efforts have been made in the past to find a satisfactory method of mending the constitution of Canada in Canada. So far, these efforts have not been successful. Constitutional amendment was discussed briefly at the dominion-provincial conference of 1927.

[Mr. Chapdelaine.]

Then Mr. Driedger made continuous reference throughout his speech to the various occasions on which this subject has been discussed.

[*Translation*]

Mr. Speaker, we have a speech by the former minister of justice, Mr. Chevrier, delivered on September 6, 1963 in Alberta before the Canadian Bar Association in which he stated:

> It is anachronistic that the oldest self-governing country of the commonwealth, except Great Britain, is the only one which has absolutely no legal power to amend its constitution. We have, in actual fact, the power to amend, since the United Kingdom parliament would amend the B.N.A.A. at the request of the Canadian government, but we do not have the legal power. I am sure that the parliament of the United Kingdom would like to be relieved of the responsibility of implementing the amendments requested by us and would gladly approve any piece of legislation which we would introduce to confer on ourselves full and final power to amend.

Such being the position taken by a former minister of justice—and to which, I imagine, the present one would subscribe—I cannot see why we should wait any longer before taking concrete steps towards the repatriation of our constitution.

I know it is not so much repatriation but a subsequent problem that would create some difficulty. I refer to the revision of the constitution which would have to be legalized and settled to the smallest detail before all the provinces could accept it.

Bearing those things in mind, Mr. Speaker, I would ask the present Minister of Justice to call a conference on the constitution immediately in order to solve this problem. Even if the conference should last for some time, I think the present Minister of Justice has no alternative, because of the pledge taken by his predecessors; he must keep the commitments made by his predecessor, especially those taken in the speech he made on September 6, 1963 before the annual meeting of the Canadian Bar Association, when he stated:

> It is now more urgent than ever to develop such a formula, for it would be most regrettable if we had to celebrate the centenary of confederation in 1967 without being a completely sovereign state in law as well as in fact. I intend to call a new conference on the constitution early in 1964 in order to consider this most important question.

That is the pledge which was taken by the Minister of Justice's predecessor in office and the present incumbent cannot ignore it. I would ask him to give immediate consideration to that undertaking and to try to con-

vene a constitutional conference during the next few months, considering the climate which prevails at present concerning the debate on the national flag, a climate which makes us feel more independent, a climate which is improving as the discussion goes on, which is favourable to a better understanding between the two groups of citizens, French speaking and English speaking Canadians, and which will make our country stronger. In my opinion, the time is ripe for the convening of a constitutional conference.

I am sure that, by negotiations, we shall find the means to repatriate our constitution and to amend it right here in our country.

Besides, other speakers have mentioned and everybody agrees that it is nonsensical, both legally and socially, that in order to amend its constitution Canada should have to apply to a parliament which is not interested in our procedure and would gladly let us take our own initiatives in this field. I feel like the others that it is nonsensical that we have not yet devised a means to repatriate our constitution and to do whatever we want with it.

I express once again to the Minister of Justice my wish and that of my party that he will convene as soon as possible a constitutional conference in order to solve this problem once and for all.

I do not think it would take as much time as we imagine to arrive at a solution that would be fair to all parties.

Mr. Réal Caouette (Villeneuve): Mr. Speaker, the motion under study is precisely a motion of the kind which may seem ridiculous in 1964. In 1867, such a motion could have been accepted, submitted overseas, returned to Canada and adopted by our own parliament after having been approved by another parliament. But it is ridiculous that such a motion should be presented in 1964, when for over 20 years, from both the Liberals and the Conservatives, we have heard serious statements, half-serious statements, sometimes untimely statements, to the effect that we are members of a sovereign nation, that we live in an entirely free and independent country, a country free from economic political and social ties.

In 1964, on this day, June 18, at page 3 of the order paper, we read:

We, Your Majesty's most dutiful and loyal subjects, the commons of Canada, in parliament assembled, humbly approach Your Majesty, praying that you may graciously be pleased to cause a measure to be laid before the Parliament of the United Kindom to be expressed as follows:

British North America Act

Whereas the Senate and House of Commons of Canada in Parliament assembled have submitted an address to Her Majesty praying that Her Majesty may graciously be pleased to cause a measure to be laid before the Parliament of the United Kingdom for the enactment of the provisions hereinafter set forth.

1. Section ninety four A of the British North America Act, 1867 is hereby repealed and the following substituted therefor:

The parliament of Canada may make laws in relation to old age pensions and supplementary benefits, including survivors' and disability benefits irrespective of age, but no such law shall affect the operation of any law present or future of a provincial legislature in relation to any such matter.

Mr. Speaker, three great points emerge from that motion.

First, the obligation for Canada to go to Westminster in order to amend the constitution, which definitely and clearly implies a suggestion of dependence and a state of inferiority.

Today, we heard the right hon. Leader of the Opposition (Mr. Diefenbaker) tell us that he was prepared, seven, six or five years ago, to introduce legislation to repatriate the constitution. Later on, we heard the hon. member for Winnipeg North Centre (Mr. Knowles) saying how important it was to repatriate the Canadian constitution. And the hon. member for Sherbrooke (Mr. Chapdelaine) just repeated the same thing. As far as the Liberals are concerned, they go one better.

The government which is introducing this motion has among its members a gentleman who has placed on the order paper a notice of motion to the effect that parliament should pass legislation to amend the British North America Act in such a way that no resort would be necessary to the parliament of the United Kingdom. As a matter of fact, I wonder if the Minister of Justice (Mr. Favreau) is not on the verge of delegating the hon. member for Lotbinière (Mr. Choquette) to London to introduce the resolution now before the house.

Mr. Speaker, the same member is requesting the adoption of a distinctive flag which is the subject of the resolution now under consideration. Furthermore, he is asking that a Canadian citizen be no longer a British subject and that the word "dominion" be not used to designate Canada officially; that the supreme authority of Canada be symbolized in an essentially Canadian manner without reference to the sovereign of the United Kingdom.

Mr. Speaker, those ideas which are gaining ground with the Liberals, and similar

concepts are taking root among the Conservatives. As to the members of the New Democratic party, they advocate a repatriation of our constitution.

Indeed, I think that the constitution would have been brought back long ago, and I wonder whether the original text has not been lost abroad, so that one would be able to determine whose signature it bears. For the past ten years or so, there has always been some talk about the constitution. I have begun to wonder whether the Minister of Justice will not, some day, state that the constitution having been put on some dusty shelf in the parliament of Westminster, the original text has been irretrievably lost, so that we should make out a new one here, in this parliament.

The second point which emerges from the motion before us is the opportunity and the need of having a truly Canadian constitution and, as various hon. members stated this afternoon, a constitution which would be conceived by Canadians for Canadians, and not for one single element of Canada.

This does not mean that we are rejecting everything which has come to us from England. I would be the first to admit—and this may come as a surprise tonight—that, under the British system, we probably had greater opportunity to develop Canada than we would have had under the French regime.

At this stage of my remarks, Mr. Speaker, may I quote an example taken from everyday life. When a father raises a family, he may still slap a misbehaving two-year-old. He might pull, from time to time the ears of a child of ten, but when the child is 35, I hardly think any father would dare to raise his hand against his son or daughter. Why? Because at 21 a child is said to attain his majority. I admit he may be given some advice, offered some suggestions, but to force a child to do the things done by his parents is something which, to my mind, does not seem to be in the natural order of things.

Mr. Speaker, we have had a confederation, a constitution, for nearly a hundred years. Is it not time, after 97 years, or before we celebrate Canada's centennial, to amend the constitution so that the two groups which founded the Canadian confederation can enjoy a larger measure of autonomy and be assured of their complete freedom in the political, economic and social fields? The way I look at it, it is high time—otherwise, the day will never come—to see to it that the abuses and mistakes which make the proposed amendments necessary are corrected.

Mr. Speaker, the motion under study underlines a third point; it recognizes that Canada is really composed of two nations. Some do not wish to recognize it, they will be behind their time. There are others who have recognized it for a long time; but, more and more, all Canadians will have to admit it.

On many occasions, in this house, I stated that we were asking nothing, that we wished to take nothing away from others, but that we wanted our rights to be fully recognized. That is why, when our group met in Quebec on January 26, 1964, we asked that the province of Quebec should control money and credit under the term of a new constitution and in the framework of a new confederation. Should the province of Ontario want the same thing, it is up to that province to decide; but as regards the province of Quebec, we want it to control its trade and commerce and its immigration policy and that it should recover all its taxation rights. The government had better take notice of these points, since all organizations, not only in the province of Quebec, but also outside of the province of Quebec, are increasingly claiming such rights.

Indeed, in the province of Quebec influential politicians made such claims, including Hon. René Lévesque; the mayor of Montreal, Mr. Jean Drapeau, the minister of municipal affairs, Hon. Pierre Laporte, and the premier of the province of Quebec, Hon. Jean Lesage.

[*Text*]

Mr. Knowles: And Réal Caouette.

Mr. Caouette: Réal Caouette, if you wish. And Charles Auguste Choquette also.

Mr. Herridge: Comrades in arms.

[*Translation*]

Mr. Caouette: Mr. Speaker, those words can be considered lightly or not at all.

In every Canadian province, as I found during my visits, people wonder what is happening in the province of Quebec, whether that province is in a turmoil, whether this evolution is dangerous, and so on. I do not think so. I do not believe so, as long as the federal government will not yield nor submit, but will consider straightforwardly the just demands of both elements of the country, so that they are treated equitably and fairly, in short, placed on an equal footing throughout the country.

Mr. Speaker, under the motion, Quebec chooses its own pension plan, and the Minister of Justice must recognize that this motion is submitted to the House of Commons in order to meet Quebec's requirements.

Mr. Guay: They always talk about Quebec.

Mr. Caouette: Mr. Speaker, I hear my friend from Lévis (Mr. Guay) say that we always talk of Quebec. We have a fairly good advance on him, because he did not even have time to talk of Quebec since he came here. As a matter of fact, I wonder if he remembers which riding elected him in the last general election.

Mr. Guay: The Social Crediter does know.

Mr. Caouette: The fourth point which emerges from this motion is the fact that Quebec chooses its own pension plan. But it seems that this amendment to section 94A of the British North America Act is a threat, or its wording is not quite clear.

For instance, would it not be possible, at a given moment, for the federal government to decide an increase in the rate of old age pensions without consulting any province, which would perhaps establish or create double taxation, as is now the case?

As a matter of fact, in the province of Quebec, we have two income tax laws: a federal one and a provincial one. Does not section 94A call forth the possibility of such double taxation as a result of an increase in the old age pensions, in the pensions for the disabled or any other social measure?

We accept the general principle of this motion, because it leaves Quebec free to choose its own pension scheme. We will propose an amendment in order to ensure that the spirit and the letter of section 94A will not go beyond the intention of the government when it changes the British North America Act.

Mr. Speaker, in order to support what I said earlier, I refer to the newspaper *Le Devoir* of June 18, that is this morning's issue, which reports that the St. Jean Baptiste society of Montreal submitted a brief to the committee on the constitution—

An hon. Member: Oh, oh.

Mr. Caouette: Mr. Speaker, I hear one of my hon. friends say "oh, oh". One should remember that the St. Jean Baptiste society is a provincial organization and that it does not just operate in Montreal. It is a Canadian organization, it is our national association, and everyone should consider it as such.

Those people voice suggestions, they have not known any bomb, they have not hit below the belt as the popular expression goes, but here is what they say. I quote:

> Official recognition of the existence of two nations, consecration of two national and sovereign states(Quebec being the national state of French Canadians), replacement of the British North America Act by a new association of a really confederal character, creation of a "Republic of Quebec", sovereign state freely associated to (English) Canada, implementation by that state of Quebec of a vast program of economic liberation, social and cultural progress: those are the principal conclusions of the strong brief submitted by Montreal's St. Jean Baptiste society to the parliamentary committee on the constitution—

That brief is now before the parliamentary committee. The article ends as follows:

> The essence of the thesis is that there are two social and cultural facts which are gradually becoming more dissimilar, as they materialize in two national communities; we have here two brands of nationalism which are equally natural and legitimate; Canada would fall into a state of numb inferiority if it were not built up again on those basic facts, in the form of a voluntary association of two national, sovereign and equal states, each having all its internal autonomy and part of an external sovereignty which both would administer and manage in common—under a constitution and renewable treaties—a certain number of fields being under the jurisdiction of confederate organizations or agencies, where both national states would be equally represented.

Mr. Speaker, not only Canada, but other countries, like Jamaica, and other member states of the commonwealth of nations, as well as countries associated with France, have regained greater freedom, in the economic and political fields. I shall quote on this subject another French Canadian nationalist, a man who always commanded the greatest respect, I mean Canon Lionel Groulx—

Mr. Auguste Choquette (Lotbinière): Mr. Speaker, on a point of order.

I listened with much interest to the hon. member for Villeneuve and I must admit that he is a most eloquent speaker. But, as we are here to discuss a resolution asking the parliament of Westminster—

Mr. Stanley Knowles: —the Queen.

Mr. Choquette: —to authorize the amendment of the constitution, I wonder if it is truly in order to discuss the absurdity of the fact that we have to ask the parliament of Westminster to approve the amendment. I wonder if it would not be more appropriate for the hon. member to restrict himself to the substance of the proposed amendment. Indeed,

we all agree that it is absurd to have to ask the approval of the parliament in London, but I feel it would be more relevant to discuss the substance of the resolution.

Mr. Caouette: Mr. Speaker, I should like to say one thing about the point of order raised by the hon. member for Lotbinière. All those questions were discussed today by the Leader of the Opposition (Mr. Diefenbaker) and by the hon. member for Winnipeg North Centre (Mr. Knowles).

I understand the hon. member for Lotbinière has a notice of motion bearing number 40, at page 21 of the order paper, which makes him the number one separatist in this house.

Mr. Speaker, I am not in the habit of telling the hon. member for Lotbinière what to say. On the other hand, I do not intend to get into the habit of letting him tell me what I should say.

Mr. Choquette: On a point of order, Mr. Speaker. I do not want to start a discussion, but I can see the hon. member is adding fuel to the fire, while my own comments were objective.

I should like you to give a ruling, after which I shall rise on a question of privilege.

Mr. Gilles Grégoire (Lapointe): Mr. Speaker, on the point of order, I would ask you, at the same time, to rule on the constant interruptions of the hon. member for Lotbinière and also on the demagogy he is indulging in here in this house, when interrupting the hon. member for Villeneuve.

In my view, this is essential at present.

Mr. Deputy Speaker: The hon. member for Villeneuve.

Mr. Choquette: Mr. Speaker, I believe it is my duty to rise on a question of privilege at this time. Now that you have ruled—

An hon. Member: There is no ruling yet.

Mr. Choquette: Mr. Speaker, I would like you to rule on my point of order.

Mr. Deputy Speaker: Order. The ruling of the Chair is to the effect that the speech delivered by the hon. member for Villeneuve was within the scope of resolution now under consideration.

Mr. Choquette: Mr. Speaker, I thank you for this ruling.

Now, allow me to rise on a question of privilege, because I feel bound to do so. I am convinced that the hon. member for Villeneuve went too far, as usual. He said that I was the staunchest separatist in the house.

[Mr. Choquette.]

Some hon. Members: Hear, hear.

Mr. Choquette: I note that those who applaud are the very ones who divided their party in two, as well as the hon. member for Joliette-L'Assomption-Montcalm (Mr. Pigeon) who actually left his party.

Mr. L. J. Pigeon (Joliette-L'Assomption-Montcalm): Mr. Speaker, on a point of order.

Mr. Deputy Speaker: The hon. member for Lotbinière has the floor at present. On the other hand, I would ask him to state as briefly as possible the question of privilege he wants to submit to the house.

Mr. Grégoire: It is not a question of privilege.

Mr. Choquette: Are you through?

Mr. Speaker, my question of privilege concerns me personally. The hon. member for Villeneuve has claimed that I am the most separatist-minded person in the house.

I formally deny such an accusation and I state that I am in no way a separatist. I may be, in fact, I am surely a republican but I am not a separatist. The only separatists here are those—

Mr. Deputy Speaker: Order. I would ask hon. members to co-operate with the Chair, bearing in mind the proprieties of the house.

Mr. Pigeon: Mr. Speaker, I rise on a question of privilege. The hon. member for Lotbinière proclaims himself to be a republican.

Since Canada is not yet a republic, the hon. member for Lotbinière, to be consistent with himself, should resign immediately.

Mr. Deputy Speaker: Order. The hon. member for Joliette-L'Assomption-Montcalm has no basis for a question of privilege; he is in fact, raising an argument. I would ask all members, once again, to co-operate with the Chair, so that the hon. member for Villeneuve may carry on and finish his remarks.

Mr. Caouette: Thank you, Mr. Speaker. The hon. member for Lotbinière has just mentioned that he might be a republican. Now, I would suggest to the new Minister of Justice (Mr. Favreau) to delegate the hon. member for Lotbinière, as a republican, to London in order to introduce this motion which the government is asking us to pass today, so that we may obtain more freedom and better justice for the province of Quebec.

I was referring, Mr. Speaker, to a statement made recently by Canon Lionel Groulx:

Master in one's own house. To be master in one's own house, continued Canon Groulx, this

would mean, for a nation having reached or claiming to have reached maturity, to be master of its policies, its government, its parliament, its legislation, and not to be, in this field, under any unseemly trusteeship. It would also mean, as much as possible in this day and age, to be master of its economic and social life, to develop for itself and not for others its natural resources, to have the means to finance its administration, its institutions of learning and of social welfare.

Canon Lionel Groulx has been fighting for half a century, not only in Quebec, but throughout Canada, to help us acquire such mastery, both at the federal and provincial levels.

That amounts to one thing, Mr. Speaker. We want the provinces to enjoy as much autonomy as possible. Let Ottawa lift its embargoes when the development and even the full developmeent of a province is at stake.

On the other hand, I am surprised to see the motion only concerns old age pensions and supplementary benefits. We should get to Westminster with an amendment or a final decision under which the constitution would come back to Canada. Then we could amend the constitution.

The fears being spread about a repatriated constitution, to the effect that quarrels and misunderstandings would spring up when the time came to amend the said constitution, are not worthy of consideration. The danger of misunderstandings must not prevent us from taking action. It is better to act and make mistakes than to do nothing, that is not to act. Then, one does not run the risk of making mistakes, but one does not act. Let us act, even if we run the risk of making mistakes. Besides, we all make mistakes, because we are human and there is no perfect human being.

Mr. Chapdelaine: Does the hon. member for Villeneuve allow me to ask him a question?

Mr. Caouette: Certainly.

Mr. Chapdelaine: What is the solution advocated by the hon. member to amend the constitution?

Mr. Caouette: To amend the constitution so as to give back to the provinces the control of money and credit, the control of their trade, their immigration, the full recovery and use of their taxation rights.

If those provisions were included in a constitutional reform, peace would be restored in Quebec, Ontario and other Canadian provinces.

Mr. Speaker, let us pass a piece of legislation to put a branch office of the Bank of Canada at the service of the provinces, which could use it to develop normally, and there will be no more wrangling between Quebec and Ontario, Quebec and British Columbia, Quebec and Alberta; there will not be misunderstanding but argument.

Mr. Speaker, the time allotted to me was quite shortened a few minutes ago, but I must just the same conclude my remarks. Before concluding, I wish to move, seconded by the hon. member for Roberval (Mr. Gauthier) the following amendment:

That the following words be added to section 94A after the words: "in these matters"; However, this amendment to the British North America Act will only apply to the provinces which will ask it.

I have French and English copies of this amendment.

Mr. Speaker, this amendment detracts in no way from the merits of section 94A, but it gives us the assurance that no province will be subject to undue pressure from federal authorities.

Those are the remarks we wanted to make about the amendment moved by the government.

In conclusion, I should like to draw the attention of the Minister of Justice to the statements made in this house by Liberal, Conservative and other members, to the effect that it is ridiculous that, in 1964, we should have to ask permission to amend a constitution which might not be ours at the present time.

If this constitution is not ours, let us leave it over there and draw up a constitution here, with the help of a committee on constitution, as suggested earlier by the hon. member for Sherbrooke. We shall then feel not only as people who loudly proclaim their independence and the sovereignty of their country, but who shall prove to the whole world that we do enjoy that sovereignty, whereas today, in 1964, we give indisputable proof that it is still the parliament at Westminster which decides what the Canadian parliament shall pass.

Let us become our own masters and start right away. Let us not wait another half century before asserting that we are, in Canada, Canadians in the best interests of the whole country.

[*Text*]

Mr. Deputy Speaker: Perhaps the Chair might read to the house the amendment proposed by the hon. member for Villeneuve.

[*Translation*]

I move, seconded by Mr. Gauthier, that the following words be added to section 94A after the words "to any such matter": but this amendment to the British North America Act does apply only to those provinces who will ask for it.

[*Text*]

Would hon. members care to offer comments for the guidance of the Chair in rendering a decision as to the acceptability of the amendment?

[*Translation*]

Mr. Favreau: Mr. Speaker, I think that this amendment is decidedly out of order. In fact, if we read its wording carefully, we realize that it applies to the provinces. I think it is important that we should all read the text of this amendment at once. It wants to add, in the text of the resolution, after the words "to any such matter", in the last line of the new wording of section 94A, that the address ask Her Majesty to request the parliament of the United Kingdom to approve the following words:

However, this amendment to the British North America Act will apply only to the provinces which ask it.

If such an addition to the wording of section 94A were adopted, we would be faced with a constitutional nonsense which would contradict entirely the purpose, the scope and the framework of the amendment requested by the resolution introduced by the right hon. Prime Minister.

In fact, the purpose of the new section 94A is to allow the parliament of Canada to legislate. Now, the proposed addition to that amendment provides that the amendment, that is the new section 94A, will apply only to the provinces upon request.

This would take away any meaning that the new section 94A might have, because section 94A, which deals essentially with the powers of the federal parliament to legislate as far as pensions and miscellaneous provisions are concerned, cannot apply, from the constitutional view point, to the provinces even if a province requests it.

I would think that what was meant—but surely it is not for me to draft an amendment to a measure introduced by the government—

[Mr. Caouette.]

is that if an act is passed under the constitutional amendment, that act will apply only to the province which requests it and, at that time, it will not be clear either if the request must be made before that act is passed by the parliament of Canada or after.

But, I wish to point out that, in any case, the text must be read as it now stands. It is intended to apply to the provinces, when they request it, a constitutional provision which can apply only to the federal parliament, according to the general text of the British North America Act.

That is why I submit that the amendment is entirely out of order, because it is contrary to the very nature of the subject matter and also because it would render meaningless the aim and object of the resolution now under consideration.

Besides, in practice, if that amendment could be taken to mean that it should apply to an act to be passed by the federal parliament under the new section 94A, that would make the procedure so complicated that, to all practical purposes, it would become inapplicable.

Furthermore, Mr. Speaker, I point out that all the provinces have given their approval and that the province—that is Quebec—which had decided to proceed by means of a resolution introduced in the legislature, did so, and that the Quebec legislature has now approved that resolution, that is approved "entirely" the request for an amendment.

Therefore I submit that first, this motion in amendment is unacceptable because it is out of order as regards the constitution and the rules of the house; second, even if it were in order, the amendment should be rejected as it proposes a procedure that is inapplicable, if not inextricable.

Mr. Rémi Paul (Berthier-Maskinongé-Delanaudière): Mr. Speaker, I think that the mover of this amendment is thinking of the practical aspect of any legislation which might subsequently arise from the possible amendment to section 94A of the British North America Act.

It is not often that I share the views of the Minister of Justice, but I agree with the remarks he just made, because the point is that we must consider tonight the constitutional aspect of the problem.

Under the proposed amendment, the Canadian parliament is asked for the power to sanction the wish of the house, to enable the federal government to legislate in some precise matters.

Now, the effect of the amendment moved by the hon. member for Villeneuve is to present the practical aspect of this amendment.

The hon. member for Villeneuve certainly wants to give the provinces the freedom to agree to such and such legislative plan which might subsequently be presented by the government, following the permission that the parliament of London will give to it of legislating in the particular matters mentioned in section 94A.

The effect of the amendment moved by the hon. member for Villeneuve is to place on the same footing the provinces and the federal government in this field of legislation, when the effect of the proposed amendment is to give complete jurisdiction to the federal government in this matter, even if from a practical viewpoint, nothing will stop the provinces from reaching agreements or legislating through special legislation, jointly with the federal government in order to find a field for the application of the powers which will be granted to the federal parliament following the passing of this resolution.

I think the hon. member for Villeneuve is to be commended for his desire to put into effect a legislation which may follow the passing of the amendment. But that amendment, in my humble opinion, is not constitutional, because it would give the provinces a power that belongs exclusively to the federal government.

Anyhow, I think that this amended clause would not be practical, since adding that phraseology would serve no useful purpose because it would not give more power to the federal parliament, and the London parliament would not give us more power. On the contrary, this might complicate even further the interpretation of the British North America Act which, since 1867, has lent itself to many difficult interpretations and whose application has sometimes given rise to bitter discussions.

For those reasons, Mr. Speaker, I respectfully submit that the amendment moved by the hon. member for Villeneuve is out of order.

[*Text*]

Mr. Thompson: I wish to ask one question. Could we have an English translation of the amendment? The wording of this amendment, as I have here, does not make a complete sentence. Therefore, it does not mean anything at all.

Mr. Caouette: We had sent copies.

Mr. Thompson: This is a copy—the one I am referring to. But it is an incomplete sentence and it does not make any sense.

Mr. Deputy Speaker: Perhaps I could read the English version of the amendment proposed by the hon. member for Villeneuve (Mr. Caouette):

That the following words be added to article 94A after the words "any such matter":

"but this amendment to the British North America Act, 1867, does apply only to those provinces who will ask for"

Mr. Thompson: For what?

Mr. Knowles: Mr. Speaker, I wonder if I may support the request of the hon. member for Red Deer (Mr. Thompson) and appeal to someone to help us out. I know I would be in the same position if I were trying to give a French translation of a motion I had drafted in English, but as I listened to the translation of the French text that I got through my earpiece, it was quite different from what was placed before us in English paper, I wonder if you, sir, could give us a hand in this connection and give an English translation of the French text that is before Your Honour.

Mr. Deputy Speaker: I will attempt to give a translation of the French text that is before the Chair:

I move, seconded by Mr. Gauthier, that the following words be added to article 94A after the words "any such matter":

"but this amendment to the British North America Act will apply only to such provinces as ask for it".

[*Translation*]

Mr. Chapdelaine: Mr. Speaker, I should like to make a few comments on the legal point of view. It is the custom that all provinces must agree before we address to the London parliament a request for the approval of an amendment to the constitution.

This means that before addressing itself to London, the government ascertain that all provinces are agreeable to such an amendment. In fact, we can take the example given to us by the Leader of the Opposition this afternoon, when he said that his pension plan had not been put into effect because the province of Quebec had not agreed to a request for an amendment to the London parliament.

All the provinces have now given their assent.

The resolution reads as follows:

—but no such law shall affect the operation of any law present or future of a provincial legislature in relation to any such matter.

I understand the point of view of the hon. member for Villeneuve, but I believe his amendment comes too late. Such amendment should have been moved before the requests were made to the provinces, to obtain from them unanimous consent, and to apply to London afterwards. At that time, there might have been some use for this amendment whose object is to have only the provinces wishing to use it so authorized.

In the circumstances, it is too late because all provinces have already given their consent. We know, moreover, that to amend the constitution or depart from it, each time, whatever the motive, however small the change may be, it is necessary to apply to London. We have proof of this in this motion, since we have already obtained an amendment to the constitution to pay pensions to the aged. If the law could have been extended or somewhat enlarged, we might have included in it the benefits or payment of pensions to widows. But, the usage is so rigid that I do not believe —besides, circumstances are there to prove it —that we can, without prior agreement of all the provinces, obtain an amendment to the constitution on any point, however minute it may be.

In the circumstances, this amendment, I believe, adds nothing to the actual resolution, since the provinces have already given their consent and with regard to the case with which we are dealing, the provinces could not withdraw their consent, since they have already given it, and in order to apply to London to amend the constitution, such a consent was required.

Mr. Grégoire: Mr. Speaker, I would like to say a few words with regard to this amendment and its constitutionality or lack of it.

First of all, let us start from the beginning. The British North America Act, passed in 1867, gave certain powers to the federal government and to the provinces.

Now, under this act the provincial governments had exclusive power to legislate on old age pensions and on what is mentioned here as—

—survivors' and disability benefits irrespective of age.

And now, on the occasion of the presentation of a specific piece of legislation on old age pensions, the federal government, without the consent of all provinces, but of the majority of them, wants to pass a pension scheme directed to the majority of provinces.

Then, in order to amend the constitution, the agreement of all provinces is necessary. All provinces have given their consent, but some of them want to continue to be masters in that field.

I agree that the legislation indicates clearly that:

—it shall not affect the operation of any law, present or future, of a provincial legislature in relation to any such matter.

Mr. Speaker, if it becomes more complex, it is because of the amendment to the constitution: the federal government is requesting privileges acquired through the constitution, through the British North America Act, in fields already reserved to the provinces, in order to legislate in a very specific and very precise field, that is to bring in a new act concerning old age pensions.

When the federal government wishes to amend the legislation it may bring in this year or next year, then, a new legislation will become unavoidable. But this new legislation, without affecting any act to be presented by the government of the province of Quebec, may not suit the province of Quebec or another province, but the amendment to the constitution, as proposed now, will nevertheless authorize the federal government to bring forward an amendment or a new piece of legislation to amend the act concerning old age pensions without having to consult a province. The government will have the authority to do it.

It was mentioned a while ago,—I think it was by the hon. member for Sherbrooke (Mr. Chapdelaine) or the hon. member for Berthier-Maskinongé-Delanaudière (Mr. Paul)—that if the ten provinces have accepted the amendment to the constitution that is proposed today and, consequently, gave one more responsibility to the federal government, it is only because of the new old age pension plan that the federal government intends to set up. But every time the federal government will wish to bring an amendment to its legislation, it will require the passing of a new act. Then, the provinces will have no say in the matter; the federal government will hide behind the amendment we are voting today and the parliament of Canada will have authority to legislate on old age pensions.

The hon. member for Sherbrooke mentioned that it should not affect the operation

of any act present or future passed by a provincial legislature. But let us suppose that in two years from now, the federal government should decide to raise the taxes by 2 per cent and to increase by so much the pension paid out, that will not affect at all the present or future legislation, but nevertheless, the provincial government will have nothing to say.

Mr. Speaker, it is well known that when the federal government infringes upon a field of exclusive provincial jurisdiction, it goes all the way out, even if such jurisdiction is guaranteed by the constitution because there is no court to which an appeal could be made with respect to such interferences. There is no remedy to the situation and the record is there to prove it.

Consequently, Mr. Speaker, the province of Quebec had no need for this amendment to the constitution. It can and it is going to legislate on its own in the field of old age pensions.

Why has the Quebec government decided to join in with the other governments with respect to the amendment under consideration? It is merely to oblige the nine other provinces which prefer a federal pension scheme. Since the Quebec government has so graciously co-operated: why do we not give it in return the necessary guarantees so that, later on, the provinces will not regret having agreed to this amendment, as was so often the case in the past when they relied on the good faith of the central government. It may be that the present government deserves the confidence of the province but, in the future, in 20 years from now, another government may not be as worthy of their confidence or may not be as kind.

I say that the subamendment is constitutional and that it completes the other one because it bears no relation to the legislation which the government proposes to introduce this year concerning old age pensions.

It is a complementary amendment because it is connected with the future legislation that the federal government will wish to move as regards the Old age Pensions Act; it will also permit the government to legislate on the supplementary benefits, including survivors and disability benefits, irrespective of age.

We dread the results of the amendment to section 94A and that is why the subamendment moved by the hon. member for Villeneuve is drafted in such a way that the legislation might not intensify the current disunion concerning the constitution.

I think there is enough of that already. The subamendment is constitutional and comprehensive. It is all the more constitutional, let us not forget it, because it stems from a privilege exclusive to the provinces, and since we are then giving to the federal government part of the rights and prerogatives which, under the British North America Act, belong to the provinces.

If the provinces agree to allow the federal government to legislate for the benefit of the other provinces, it does not mean that they want the federal government to obtain, under the constitution, all the rights and every latitude. I think the federal government should be satisfied with the permission it obtained this year from the provincial governments to legislate in those fields.

On the other hand, it should give the provinces the assurance that, in the future, federal government legislation will not encroach upon provincial fields. It is a privilege which belongs to the provinces, and Quebec has agreed to part with it out of kindness for the other nine provinces.

Mr. Speaker, I believe that to save a principle is far more important that all the arguments put forward by representatives of the four other parties. We must save the principle that, in such fields, in provincial fields, the federal government should never be able to take action without the consent or the agreement of the provinces, more particularly of the province of Quebec.

For those reasons, Mr. Speaker, I believe you should declare the amendment in order.

[*Text*]

Mr. Knowles: Would the hon. member permit a question? In view of the hon. member's statement that what section 94A is doing is giving something to the federal parliament—surely he agrees that that is what it does; it does not give anything to the provinces—

Mr. Benidickson: Not very much.

Mr. Knowles: —can he not see our problem in that his amendment does not seem to make any sense? It is not relevant in that it says that it does not apply to the provinces. Section 94A does not apply to the provinces either. This is an amendment giving the federal parliament power; and when an hon. member comes along with an amendment which says that it does not apply to the provinces unless that is asked for, our problem is that it does not seem to make any sense in English or in French.

[*Translation*]

Mr. Grégoire: Mr. Speaker, if I may, I shall answer the question of the hon. member for Winnipeg North Centre.

The amendment moved by the Leader of the Opposition (Mr. Diefenbaker) and the subamendment of the hon. member for Villeneuve (Mr. Caouette) maintain for the federal government the privilege and power of legislating in those fields. The subamendment moved by the hon. member for Villeneuve does not deprive the government of that power to legislate. Yet, the power to legislate in the matter of old age pensions will now only apply to the provinces which accept it.

I want to tell the Minister of Justice, as well as the Secretary of State (Mr. Lamontagne)—who advocates co-operative federalism—that if we accept this today, it will be a precedent which may repeat itself in many other fields under exclusive provincial jurisdiction, even in the nine provinces which would like the federal government to enter certain fields. The federal government may legislate on behalf of all provinces which are willing, but not for those who are not. This will facilitate amendments to the constitution as nine provinces will welcome them, while respecting the rights of the provinces which do not want those amendments. This will be a precedent which will more easily justify any future amendments to the constitution and which will be a new means of repatriating the constitution. At that time, the amendments will only apply to the provinces which are willing to accept them.

The Prime Minister of Canada (Mr. Pearson) frequently stated that Quebec was not a province like the others. Almost everybody agrees on that. Therefore, let us put those words into practice and try to agree on the constitution, so that if it suits nine provinces, all the better, and if it does not suit the tenth, it will not apply. By doing so, I think that we will attain the best kind of confederation which will satisfy everybody.

Mr. Speaker, I think that this answers the question of the hon. member for Winnipeg North Centre.

[*Text*]

Mr. Deputy Speaker: Order. Perhaps I might point out to hon. members that since royal assent is about to be given perhaps it would be wise to wait until tomorrow before the Chair renders a decision. I might also point out that the remarks and comments made on the point of order by several hon. members have related exclusively, to my mind, to the question of the constitutionality of the amendment, which really does not assist the Chair in reaching a decision. What the Chair has to decide is whether the amendment is acceptable from a procedural standpoint, and very little has been said by hon. members on this point. I must say that as far as the Chair is concerned this is a difficult question to decide, being a borderline case, and in view of this I am sure that hon. members will not mind waiting until tomorrow before the Chair give its decision, in view of the fact that we are just about to have royal assent.

[Mr. Knowles.]

THE ROYAL ASSENT

Mr. Speaker: I have the honour to inform the house that I have received the following communication:

Ottawa, June 18, 1964

Sir:

I have the honour to inform you that the Honourable Roland A. Ritchie, 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 18th June, at 9.45 p.m., for the purpose of giving the royal assent to certain bills.

I have the honour to be,
sir,
Your obedient servant,
A. G. Cherrier,
Assistant Secretary to the Governor General

BUSINESS OF THE HOUSE

Mr. Churchill: Mr. Speaker, I wonder whether we could have the order of business for tomorrow and Monday while we are waiting?

Mr. Favreau: Mr. Speaker, if I may first be allowed to say so, I wonder whether we could have unanimous consent of the house once we return from the Senate, to complete the proceedings on the motion to amend the resolution, so that tomorrow we can proceed with the debate?

Mr. Speaker: Does the house give unanimous consent?

Mr. Knowles: Mr. Speaker, what does that mean? I understand we still have to get a ruling tomorrow.

Mr. Favreau: I thought that the Speaker meant that because it was adjournment time he could not render his ruling until tomorrow. I did not understand that he was asking for time to consider the matter. I withdraw my suggestion if that is the case.

Tomorrow, Mr. Speaker, we will complete the debate on the resolution concerning the constitutional amendment, after which, because of the arrangement which has been made among the parties, we will dispose of second reading of the bill concerning the Roosevelt-Campobello international park. Then we will resume the debate on the flag resolution.

Mr. Churchill: I thought it was the understanding that we would not take the flag resolution on any day when it would only be for a limited time, that it would always be a full day's debate. I thought it was the understanding that if we were on legislation and there was some period of time left, an hour or an hour and a half, we would proceed with other legislation.

Mr. Favreau: Mr. Speaker, the understanding was that we would not resume the debate on the flag resolution in the middle of the day or at an indeterminate moment. However, I must say that I tried to get agreement today—it is not my hon. friend who did not agree—to fill the day completely in case we had some time left, and I could not get agreement, so I suppose we will have to go on with the flag debate. But I must say that the lack of agreement did not originate with the hon. member for Winnipeg South Centre.

Mr. Churchill: This is a red letter day.

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.

And being returned:

Mr. Speaker informed the house the Deputy Governor General had been pleased to give, in Her Majesty's name, the royal assent to certain bills:

An act to amend the Farm Credit Act.

An act to amend the National Housing Act, 1954.

An act to amend the Judges Act and the Exchequer Court Act.

An act to amend the Income Tax Act.

An act respecting the Payment of Certain Provincial Taxes and Fees by Crown Corporations.

An act to amend the Bank Act and the Quebec Savings Banks Act.

An act to authorize the construction and maintenance of a bridge across the St. Lawrence river between the city of Ste. Foy, in the county of Quebec, and the municipality of St. Nicolas, in the county of Lévis, both in the province of Quebec.

An act to incorporate Canadian Conference of the Brethren in Christ church.

An act respecting the General Accident Assurance company of Canada.

An act respecting Scottish Canadian Assurance Corporation.

An act respecting Allstate Insurance Company of Canada.

An act respecting The Dominion Life Assurance Company.

PROCEEDINGS ON ADJOURNMENT MOTION

(Subject matter of questions debated under adjournment motion)

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

CANADIAN FLAG—INQUIRY RESPECTING DISTRIBUTION OF PLAYING CARDS

Mr. J. H. Horner (Acadia): While this might be a frivolous matter for discussion in parliament, I am sure all Canadians across Canada would be shocked to learn that the Department of Trade and Commerce is putting out, publishing and giving away, not only in Canada but all across the world, at trade fairs throughout the world and in New York at the present time, games of chance, games of cards in particular, which to some extent deface what may well be Canada's national flag—Canada's national symbol. Surely, the Canadian public expects more of the Department of Trade and Commerce.

At various times members of parliament use various methods to draw attention to the misguided efforts of government and departments of government. Certainly this is a good example, and I should like to be given some pertinent answers with regard to the publishing of these cards by a spokesman for a government which has a history of being against lotteries and games of chance.

The playing cards are needed to play a game described as "The Canadian Maple Leaf" and a game called "Canadian Timber". These games have similar sets of rules. The rules are published and a copy is included in each pack. This has a direct bearing on a subject which the house has lately been considering, a subject to which the government itself has given priority in debate. The pack consists of four sets of 13 Canadian tree cards —and the three maple leaves are jokers. That is what it says: The three maple leaves are

jokers. The significant thing about these cards is that the maple leaves on them are an exact replica of the design which it is now proposed shall constitute the design of Canada's national flag.

I do hope that if this emblem of three maple leaves is accepted as the flag of Canada, or even if one maple leaf is accepted, the Department of Trade and Commerce will immediately cease to publish decks of cards of this kind. For the trouble of asking, I got 100 decks of these cards from the Department of Trade and Commerce. I still have lots of them in my office.

An hon. Member: Do you like the game?

Mr. Horner (Acadia): The game is a simple one related to the game called "Old Maid", when I was a boy. If the hon. member would like to join the old maids, or play "Old Maid", that is his privilege. According to what one reads in the press, it will not be long before the three maple leaf design constitutes our national flag and, as I say, the emblem on these cards is an exact replica of the design proposed for this flag. It is noted on the joker that it is put out by the Department of Trade and Commerce, Ottawa, Canada; it says, "Printed in Canada on Canadian paper". You would almost think this was a theme song for Canada—printed in Canada; made in Canada. The only thing they have not got on it is "Made in Canada". However, I would hope the Department of Trade and Commerce would have most of their work done in Canada.

I would certainly like to know how long they have been distributing these decks of cards, this game of chance, with the exact replica of the proposed maple leaf design. I would like to know what has been the cost to the Department of Trade and Commerce. Is this the way they are promoting Canadian trade? Certainly most Canadians think this is not the way the department should be promoting trade.

I would ask, what has been the cost; how much are Canadian taxpayers being asked to pay to promote this game of chance distributed by the Department of Trade and Commerce? I might go on to point out, Mr. Speaker, that the winner of the game called "Canadian maple leaf" is the one who has the one remaining maple leaf, the one remaining joker.

Some hon. Members: Hear, hear.

Mr. Horner (Acadia): This may please some members in the house. It may not please the Prime Minister (Mr. Pearson), and if the Department of Trade and Commerce proposes to continue to distribute this game, perhaps this should be brought to their attention. I think it has been a direct waste of the taxpayer's money and has placed shame upon the Canadian maple leaf, which has always been, and will always remain, an emblem representing Canada, whether or not the flag gets the approval of parliament. In addition, I would like to know for how many years this game has been distributed and at what direct cost to the Canadian taxpayers; and will distribution be continued? I add this last thing: Will it be continued after the flag with three maple leaves on it is approved. If this happens, will the department continue to distribute this game and describe the three maple leaves as jokers? Will they continue spreading this impression across the world, to the detriment of the Canadian public?

Mr. Churchill: It sounds like the colouring books, the pigeons and the truth squad.

Mr. Horner (Acadia): Exactly.

Hon. C. M. Drury (Minister of Industry): Mr. Speaker, I might perhaps commend the hon. member who has just concluded his speech on his acknowledgement of the maple leaf not only as the emblem of Canada but, in his words, as representing our national flag. I am glad to see there is at least one convert on the other side of the chamber as a result of the debate so far.

Some hon. Members: Hear, hear.

Mr. Drury: Unfortunately, this opportunity does not permit me to ask the hon. member a question.

Mr. Horner (Acadia): Ask it anyway.

Mr. Drury: But I was fascinated to learn that he had secured from the Department of Trade and Commerce 100 of these decks of cards and that he had already used a number of them, apparently, in playing a rather simple game which he described as "Old Maid". I would hope he would have more to engage his attention than this undoubtedly fascinating game designed by the Department of Trade and Commerce.

Mr. Horner (Acadia): I have not used the cards. I obtained 100 decks to see whether it was possible to obtain them.

Mr. Drury: The "Canadian timber game", to which reference has been made, was a sales promotion distributed and designed by the trade publicity branch of the Department of

Trade and Commerce. It was first introduced in January of 1963. The cards were at that time designed and produced.

The purpose of the trade publicity branch was to provide some kind of give-away item, not all over the world and at world fairs but at the trade and commerce exhibits at lumber shows in the United States. To date, and since the cards were first produced in January of 1963, there have been some 12 or 13 lumber shows in the United States of America at which these cards have been given away. They are designed to advertise Canadian lumber products, the fact of their excellence and of their availability in Canada.

If the hon. member complains a little that references to Canada, the quality of Canadian paper and to "Made in Canada" appear to be a little overemphasized on the cards, I can assure him that their purpose is for use on the American market, for propaganda purposes. It seems to me that, even though they date back a couple of years, this is not an unsatisfactory scheme of trade promotion. One of its great virtues is its basic cheapness. The hon. member has 100 decks and has played with them, he will have discovered that they do not last very long. The reason is their very low cost. The cost of producing one of these decks of cards in the numbers which were ordered back in January of 1963 does not much exceed the cost of paper itself.

Mr. Speaker: Order, please.

ARTS, LETTERS AND SCIENCES—EMPLOYMENT BY ROYAL COMMISSION OF RESEARCH STAFF

Mr. Gene Rhéaume (Northwest Territories): Mr. Speaker, I raised this question not only today, when I got no answer at all—perhaps because of what you felt was the unfortunate wording of the question,—but I raised a similar question the other day and got no answer from the Prime Minister. To me at least, it seems no one in this house could take objection to this question. It relates to my contention that the bilingualism and biculturalism commission is doing an excellent job of inflaming racial animosity in this country, and that it is in the best interests of Canada for the Prime Minister to call it off and to put an end to what I, in a moment of excitement today, described as the B and B gang. When I used the word "gang" I did so in the context of a group of people who go around terrorizing, and upsetting the equilibrium of the nation, and who do so at the expense of society generally.

Any of the hon. members who listened to the radio broadcast of the B and B session in Quebec City two nights ago would surely have been reminded of the broadcasts which we hear of these "You were there" records—the sort which take us back to the Nazi rallies in Germany before the serious advance of the nazi movement in that country, where people lost control of themselves. I for one categorically reject the impression that the radio broadcast of the proceedings at that hearing represent the feelings of the people of Quebec. They do not, and no hon. member anywhere in this house would espouse that position. However, I do espouse the position that the B and B commission has a greater divisive effect in this country today than any other single force at work, and I think that the onus is on the Prime Minister, if he is sincere—and I suspect him to be since—in his avowed purpose of unifying the country, to do this. I suggest to the Prime Minister and to the government that this is the time to place the good of the nation above the good of the Liberal party, because there are those who believe sincerely that the whole purpose of the Liberal party in the bilingualism and biculturalism commission, in the flag debate and in a few other things is to divide the country and ruin it, to pit Catholic against non-Catholic and French against non-French, and that these vehicles do this in an excellent way.

Some hon. Members: Shame.

Mr. Rhéaume: Members opposite can holler "shame" if they wish, but there is a substantial body of opinion in Canada that wants the Prime Minister to stand up and call off the bilingualism and biculturalism commission. All one needs to do, if he wants to be non-partisan, is to read editorial opinion in this country. It is to the effect that the terms of reference of this commission should be reviewed. Today we read that this commission is going to investigate the press, television and radio services of this country. One of the commissioners says that they have to go overseas, take this divisive and disruptive vehicle of theirs to every country in the world and make Canada the laughingstock of the world.

Where will it end? I suggest to the government that it is time they sincerely reviewed this matter. Recall the commission. The commission has suggested that it is prepared to submit an interim report. Now is the time for the government to have the courage to ask

the commissioners to present an interim report, then review it in the light of experience so far and decide if at this particular time it might not be better to call the whole thing off, at least until Canadian passions have been allowed to settle in the wake of the disturbance this particular commission has caused.

An hon. member: Two flags, two Canadas.

Mr. Guy Rouleau (Parliamentary Secretary to Prime Minister): Mr. Speaker, first of all I should like to say that the purpose of the Prime Minister (Mr. Pearson) in establishing the bilingualism and biculturalism commission was to promote national unity in Canada and to save confederation. As far as newspapers are concerned, the commissioners appointed by the governor general in council by P.C. 1963-1106 of July, 1963, were given certain terms of reference which refer *inter alia* to the role of the mass communication media. The performance of the duties conferred upon them by those terms quite conceivably might lead them to study newspapers, etc. The decision whether or not to do so extensively would be one to be made by the royal commissioners.

TRANSPORT—DELAY IN SHIPMENTS OF FREIGHT TO NEWFOUNDLAND

Mr. Richard Cashin (St. John's West): Mr. Speaker, on the orders of the day I asked the Minister of Transport (Mr. Pickersgill) a question as to what steps the government was taking in order to alleviate the great backlog of freight that exists now on the run between North Sydney and Port aux Basques. The problem of freight moving to Newfoundland by that run is one that has been quite difficult for a great many years, and the service provided to consumers in Newfoundland all the way from Port aux Basques to St. John's is hampered by the lack of what we feel are badly needed facilities on the run between the two ports of North Sydney and Port aux Basques.

This, of course, is only one part of the over-all problem that concerns us in Newfoundland in respect of a co-ordinated federal policy on transportation. During the past year we have been greatly encouraged by the arrangement whereby the federal government will pay 90 per cent of the cost of building the trans-Canada highway, thus coming in line with the recommendation of the MacPherson report.

We are also encouraged by an earlier announcement last fall concerning additional ferry service to Newfoundland. At that time reference was made to an east coast ferry, an automobile ferry, and also an additional rail car ferry to go into service between North Sydney and Port aux Basques. This problem has existed for some time, but it has been accentuated in recent weeks in a temporary way by the unfortunate waterfront situation in St. John's.

There is a general feeling abroad however that we cannot wait until these new ferries are constructed. There must be some immediate action taken because of the seriousness of this problem. I point out that this question is again part of the over-all problem we have in Newfoundland. In particular, the MacPherson commission did recommend that there be a full transportation study, especially in Newfoundland, of its transportation problem. Action is necessary on this particular question because of the very recent waterfront situation in the port of St. John's and the declining business in the port.

It has been pointed out that one of the things that may in some way contribute to this is the lack of a co-ordinated federal policy. It was for this reason I did rise this afternoon to ask the Minister of Transport (Mr. Pickersgill) a question on this one aspect of transportation policy for Newfoundland. In the past year particularly we have been encouraged by the initiative taken by this government, it is still a fact we cannot wait for the completion of the long term plan. We do feel there should be some immediate action taken on these points.

Hon. J. W. Pickersgill (Minister of Transport): Mr. Speaker, in order to meet the critical traffic problem foreseen to develop this summer and next winter, and for the next two or three years, the government has purchased and undertaken to convert the ferry *New Grand Haven*. This ferry was built in 1951 by Canadian Vickers Limited at Montreal, and until recently has been operated by a United States company between Florida and Cuba.

To meet the particular traffic requirements of the Newfoundland service certain modifications will be necessary and they will be undertaken in an eastern Canadian shipyard. The vessel will be ready for freight service between North Sydney and Port aux Basques early in 1965. The total cost, including conversion, will be approximately $2,250,000, which I think makes this vessel, at today's prices, a bargain.

It is also going to meet an urgent need until such time as the rail car ferry can be con-

structed, which will be several years. I may say that I had intended, in any event, to announce tomorrow, and the hon. gentleman's question gives me an opportunity to anticipate the announcement, that the contract for the new ferry to operate between North Sydney and Argentia has been let to Marine Industries of Sorel. This vessel, of which an interesting description will be issued tomorrow, is expected to be in service by November, 1967. I think this underlines the importance of acquiring this ferry which happened to turn up in Florida and which I believe is going to meet a very real and urgent need.

As for the broader study mentioned by the hon. gentleman, it was part of the settlement which was made of the longshoremen's strike in St. John's by my colleague, the Minister of Labour (Mr. MacEachen) the other day. There was an undertaking given by the government that not only would we set up an industrial inquiry commission to look into the problem, but that we would inquire into the whole problem of transportation between the mainland and Newfoundland, as forecast as being necessary by the MacPherson commission. The groundwork for this study is already under way in my department, and the study will be undertaken shortly.

Mr. Scott: Is it possible to ask the minister one question?

Mr. Speaker: I think we could afford one question.

Mr. Scott: Could the minister tell us the specifications of the ferry just announced to carry freight train cars across, and whether the freight handling will be done on the Newfoundland side or the other side?

Mr. Pickersgill: I am afraid the hon. gentleman is rather ahead of me because the specifications for the rail car ferry have not yet been completed. That is one reason we have not called for tenders for this, and it is one of the reasons we are buying the second hand ferry to meet the gap; but I may say the second hand ferry will not be carrying rail cars.

Motion agreed to and the house adjourned at 10.38 p.m.

END OF VOLUME IV